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FINANCIAL PAPER

Big Business On Trial

THE FINANCIAL POST

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The Nation's Business

Business Probe Begins to Function

The Whole World of Business For Its Province

Must Determine Just What It Should Study

Liberals Change Central Bank View

The Stevens Investigation

IT WOULD be difficult to exaggerate the importance and significance of the investigation that is to be undertaken by a parliamentary committee into various business practices in Canada.

Primarily the committee will set out to probe for purely unethical practices that have arisen in industry and merchandising and finance. Some of these will be obviously recognizable as abuses or even as crimes. But there is a vast total of theories and practices that cannot be so easily classified as right or wrong. One firm's sound policy is another man's abuse; the line that marks out chiselling from efficiency is not very fine.

It is not very simple to decide just when the automobile began to provide unfair competition with the stage coach. Of course if the automobile driver forced the stagecoach into the ditch that was chiselling in the grand manner; but perhaps a few stage coach drivers threw tacks under the tires of the first automobiles with pneumatic tires. The committee has been given by Parliament the whole business world as its province of enquiry. And who are the committee? Eleven members of Parliament who are setting out to examine not only the minor buying and selling practices of business but the major economic trends of the day. They must listen to the plea not only of the corner grocer, but of society at large. And while the corner grocer may know what he believes in, society at large is not a unit in its economic thinking.

* * *

TO SOME extent the philosophy of those who have brought on this enquiry is a slop-over of the New Deal theorism from the United States. It was inevitable that when President Roosevelt began the process of making business men honest and ethical by quasi-governmental prescription there should be a demand in Canada for somewhat similar action here. In the States the New Deal was turned into statutes with a minimum of laboratory testing. Canada at least took the opportunity of studying the A.A.A., the N.R.A. and similar controls in operation. Now we are to have a study of business practices at home. And while the parliamentary committee method of study may have its faults it is better that the study should be made than that legislation should be rushed on the statute books to correct alleged evils and abuses before it is finally determined whether the so-called evils really are such, and if they are, whether they are controllable by legislation or not.

Elsewhere in this issue an article from Ottawa attempts to interpret the philosophy of those who are the prime promoters of the present investigation and to indicate the chief directions the enquiry is likely to take. On another page, a leading editorial phrases rather bluntly the implied allegation against the larger merchandising organizations of Canada. Until the enquiry gets under way and the public has an opportunity of determining which of the thousand and one possible subjects of enquiry are to be given the benefit of concentrated investigation comment going much beyond these articles is rather futile.

* * *

ONE observation however may well be made. Certain existing legislation of the Dominion and the provinces will be on trial. Our anti-trust laws have been thrown into the melting pot. It used to be a crime and a sin to combine to maintain prices. Under the new philosophy it is very naughty not to do so.

Our minimum wage laws are up for defence. Apparently they have not worked, or have not been properly enforced.

Our company law, Dominion and provincial, is involved. If over-capitalization, "investment banking" control, etc., have gouged consumers, wage earners and investors alike, then the fault lies as much with the company legislation as in any direction.

It is an important enquiry and the effects may be far reaching. No business group whose affairs are even remotely connected with

(continued on page 2, col. 3)

ONT. DEFAULTS MUNICIPAL DEBT OF $100,000,000

Almost 20 Per Cent of Municipal Bonds in Province

LIST $78,491,490

Total Would be Swelled by Overdue and Floating Debt—Complete Information Lacking

Municipal defaults in Ontario are now approaching the $100,000,000 mark, or nearly 20 per cent of the entire funded debt of the municipalities of the province, The Financial Post is informed. In confirmation of The Financial Post's recent statement that the amount was over $75,000,000, listing of recorded defaulters shows total municipal debt in default of $78,491,490. The actual total exceeds this by a substantial sum. The list of defaulters compiled by The Financial Post, and published herewith, is believed to be the first of its kind issued in the public press since the default epidemic became widespread in 1933.

Seriousness of the municipal situation is indicated by the fact that debt of municipalities in the province at the end of 1932 totalled $504,755,977. Since some $100,000,000 of this is owed by defaulting municipalities, this means that debtors for nearly 20 per cent of the municipal bonds outstanding in Ontario are not meeting their obligations in full.

Population 332,692

Population of the municipalities listed as defaulters is 332,692, slightly less than ten per cent of the people in the province. The population percentage is smaller than the debt percentage because, generally, municipalities with the largest per capita debts have been the ones to default.

The Financial Post's list, which is only partial, is as follows:

Ontario Municipalities in Default

Cities	Deb. Debt Dec. 31, 1932 $	Population No.
East Windsor	4,417,271	14,009
Niagara Falls	3,364,063	18,507
Sudbury	3,288,789	19,631
Windsor	13,426,282	65,565
Towns		
Eastview	605,842	6,545
Essex	343,232	1,888
Hawkesbury	396,415	5,125
La Salle	229,740	600
Leaside	932,060	1,005
Mimico	1,926,378	6,454
New Toronto	1,791,537	7,280
Riverside	2,409,409	5,056
Rockland	41,635	2,022
Sandwich	3,170,344	11,070
Sturgeon Falls	346,826	4,344
Tecumseh	548,481	2,423
Villages		
*Long Branch	945,000	3,541
Townships		
Dysart	40,598	1,701
Etobicoke	3,108,101	12,804
Pelee Island	124,831	686
Sandwich, East	2,104,571	5,542
Sandwich, West	2,789,322	3,438
Scarborough	4,022,325	18,833
York	15,002,747	66,383
York, East	6,289,932	35,004
York, North	3,063,129	13,236
Commissions, etc.		
E. Windsor R. C. Schools	755,873	......
Essex Border Utilities Com'n.	1,855,816	......
†Windsor R. C. Schools	1,150,941	......
Totals	78,491,490	332,692

* Approximate. † At Oct. 16, 1932.

This total would be swelled substantially, of course, by inclusion of overdue principal and interest for 1933 and floating debts.

Information Lacking

One feature of the situation that has caused bondholders some concern is the lack of information on the position of individual municipalities and on the situation as a whole. Indicative of this lack of information, considerable investigation was necessary to compile the foregoing incomplete list.

Some of the municipalities listed are in default of principal only. In this category are: Niagara Falls, Sudbury, Eastview, Leaside, New Toronto, Etobicoke, Scarborough, York, York East, and York North. Supervisors have not been appointed by the Ontario Municipal Board for all the listed debtors. Creditor interests have exercised some control in certain cases, and others are in process of arrangement with the provincial board.

In the last six months over $31,000,000 of the debt listed above went into default, indicating the recent trend.

Coming in The Post

How is the N.R.A. really working out? What do United States business executives think about it? Such questions will be answered in a special study The Financial Post will shortly present. You have read all about the philosophy of the New Deal, you have seen a census of the codes, and you know what the National Recovery Act is. This survey will be different. Its purpose will be to tell what the intimate effect on the actual operations of different business firms has been.

Since the depression began, some 100,000 Canadians have been settled on the land, in most cases successfully. A "back-to-the-land" movement may be the best contribution we can make to the solution of the unemployment problem. In an early issue The Financial Post will tell about what has been done in Canada to put unemployed workers on their own farms and plots and will discuss what may be done additionally.

Private Ownership For Central Bank

There has been a gradual but noticeable change in the attitude of many members of parliament toward the problem of central bank ownership. The Banking Commission recommended a privately owned institution and it is generally believed the draft legislation will follow this advice. The Liberal party has strongly advocated a publicly owned institution in the past and was believed ready to fight for this principle. But the party has modified its views in the past fortnight and is no longer likely to press for a publicly owned institution. The reason for the change is to be found in the recognition of the fact that a publicly owned institution would be susceptible to almost irresistible political pressure.

BIG BATTLE STARTS MAR. 5 OVER N. R. A.

Meeting of Code Committees Will Review Progress

Special Correspondence

WASHINGTON.—A clear test of whether the National Industrial Recovery Act is to be made an even more outright implement of "social revolution" than it has been to date will be provided on March 5 when all code control authorities—the links between Government and more than 275 classifications of business enterprise—meet in Washington.

A large section of industry is convinced that it must have relief from many of the present provisions of N.R.A., if it is to survive, much less prosper, while administrative officials contend that hours of work must be cut still further and wage rates must be advanced again to provide sufficient purchasing power to make recovery self-supporting. The session next month is expected to settle which view will prevail.

Shorter Week Doomed

Complaints of business are so general and so valid, and so many weaknesses have developed in the organization of N.R.A., that the more conservative trend is likely to be followed. In advocating a reduction of the average work week from 40 hours to 32 hours, even the fire-eating administrator, General Hugh S. Johnson, has conceded that some industries have used up so much of their reserves that "they would have no means to finance larger payrolls necessitated by shorter hours." Having placed himself on record in this matter it is hardly possible that General Johnson will make much of a fight for the shorter week.

It is easy enough in Washington to find evidence which seems ample to support any view regarding N.R.A. and its effects on business that could conceivably be advanced.

N.R.A. Opinions Vary

Within the space of two hours I was assured by a newspaper publisher that the plan was costing him a million dollars a year in one city through the voluntary re-employment agreement, and bringing no benefits; told by a steel man that the scheme was "a great thing for the industry;" and informed by a retailer, a hotel operator and an official of a taxicab company that "N.R.A. hasn't done a thing."

As a generality it can be stated than any benefits brought by the programme of industrial control, from the viewpoint of industry itself, as distinguished from that of labor, have been confined almost entirely to those enterprises which were near-monopolies, even in the pre-N.R.A. era. In the trades which were formerly highly competitive and among the producers of and dealers in consumption goods there is little evidence that the scheme has made any important contribution toward economic recovery, either temporarily or in line with an intelligent long-range purpose.

Indirect Taxation

It is generally accepted that neither the new wage schedules nor such re-employment as the plan effected have produced enough purchasing power to sustain themselves. This being the case, most business leaders now view the cost of the jobs they set up under N.R.A. provisions as being a form of indirect taxation under which they pay part of the bill for relief.

Reduced to its essentials, the programme has more of the flavor of "made work" about it, than it has of economic reorganization. And many businesses will be unable to continue supporting the plan on such a basis, unless N.R.A. or some other agency brings them more of help than they have received from the recovery drive to date.

Of course an estimate of what N.R.A. has done does not include any calculation of what N.R.A. might have done, a distinction of very great importance. It is thoroughly evident that the administrators—quite probably of necessity—have been much more anxious to maintain the form of industrial control than they have been to forward any definite economic formula.

Code provisions are being butchered unmercifully, ignored, or evaded by a large part of industry. Price fixing has widened the gap

(Continued on page 2, col. 4)

BANKS DIFFER ON REDUCING INTEREST RATE

Government Desires Cut to 2 p.c. on Deposits

FAVORS LOAN COS.

Reduction of ½ of 1 p.c. Places Banks at Disadvantage With Competitors

From Our Own Correspondent

OTTAWA.—It is learned that Canadian banks are divided on the question of another reduction in savings bank interest rates. Opposition comes from some bankers who feel that a further reduction would endanger the country's capital supply by reducing the incentive to saving, to which proponents reply that under present conditions the interest reward is one of the smaller factors in inducing people to open, maintain and increase savings accounts.

A real problem is the fact that as the banks and the competitive deposit-taking institutions reduce interest rates, the relative position of the banks is altered.

For example, when the banks allowed 3 per cent and the trust and loan companies 4 per cent the latter were paying just 33 1/3 per cent more than the banks. When rates were cut to 2½ per cent and 3½ per cent the differential increased to 40 per cent. Now, if the banks were to reduce their rate to 2 per cent and the trust and loan companies to 3 per cent, the latter would have an advantage of 50 per cent in the rate they offered to the public.

It is understood that the Government continues to press for a further cut in bank interest rates and to urge that it be accompanied by very definite reduction in loaning rates to all classes of borrowers.

RENO PRODUCING ON EARNING BASIS MAKES NEW ORE

Recent Developments Restoring Confidence in Company

By B. F. TOWNSLEY,
Mining Editor, The Financial Post

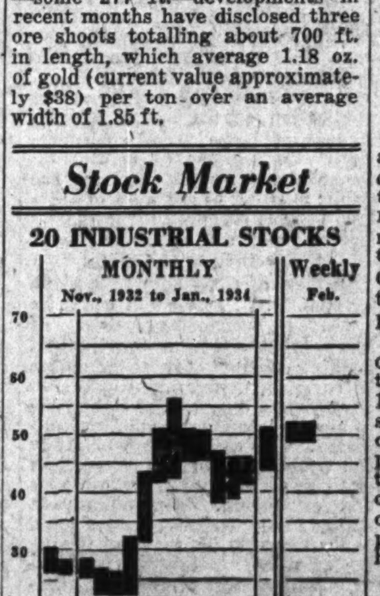
NELSON.—Those who have had their confidence shaken in Reno Gold Mines by its stock market gyrations and have witnessed a market decline from the high of $2.75 per share last June to a low of 84 cents last December, will be cheered to learn that recent developments are of a most reassuring nature, giving bright prospects for making at least a profitable small mine. Interesting possibilities yet to be explored, mark it as the most important property under development in the Sheep Creek area of British Columbia.

Notwithstanding the heavy capital expenditure of the company to place its plant in proper working order, 1933 closed with the liquid position improved, ore reserves up and ore prospects brighter and with operations definitely on a profitable basis after liberal reserves for depreciation and depletion. For the calendar year ended December 31, 1933, the gross value of production was $338,636, won from treating 21,967 tons of ore, which yielded 11,501 oz. of gold, 3,240 oz. of silver and 21,967 pounds of lead. This is the greatest in point of tonnage, value and recovery per ton since production was started in 1929 and brings the total ore value treated to $688,897.

Mining operations are conducted two and one-half miles from the mill, through a main No. 5 adit at an elevation of 6,113 ft. or some 714 ft. below the No. 1 or top adit. Between the No. 5 and No. 4 adits—some 277 ft.—developments in recent months have disclosed three ore shoots totalling about 700 ft. in length, which average 1.18 oz. of gold (current value approximately $38) per ton over an average width of 1.85 ft.

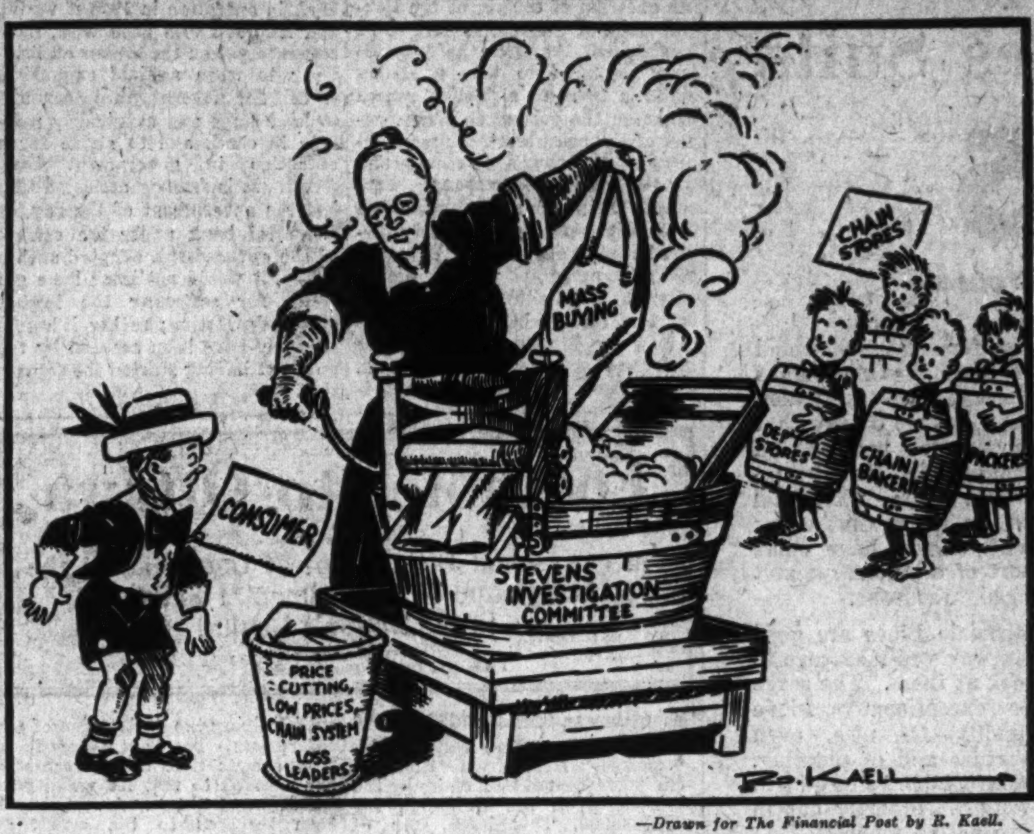
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Feb. 13	52.3	49.1
Week of Feb. 6	52.4	49.0
Month of Feb., 1933	27.0	22.7
10 Public Utilities		
Week of Feb. 13	53	51
Week of Feb. 6	53	51
Month of Feb., 1933	44	40
8 Bank Stocks		
Week of Feb. 13	188	184
Week of Feb. 6	187	181
Month of Feb., 1933	161	156


MASS BUYING
CHAIN STORES
DEPT STORES
CHAIN BANKING
PACKERS
CONSUMER
STEVENS INVESTIGATION COMMITTEE
PRICE CUTTING, LOW PRICES, CHAIN SYSTEM, LOSS LEADERS
Ro. KAELL

—Drawn for The Financial Post by R. Kaell.

WASH-DAY FOR THE CONSUMER'S PLAYMATES.

Stevens' Committee Studies 8 Problems

Will Probe Into Business Practices and Economic Trends Alike—Few Business Men on Committee

By Staff Editor

OTTAWA.—The Stevens parliamentary investigation into modern merchandising methods and their relationship to labor conditions under the tariff promises to be an economic laboratory where many present-day business practices will be put under the microscope and the dissecting knife. For while individual firms and practices will be subjected to pointed examination and even to censorious inquisition, the committee will be primarily an investigation of some puzzling phases of the problem of distribution. Some of these problems are world-wide in scope and interest. The committee, if it avoids the temptation to become a forum for political jousting, will have a classic opportunity to light up some of the obscurer phases of distribution methods that have grown up since the war in response to the insistent demand of sound economics that distribution maintain pace in efficiency with production methods.

Some Underlying Problems

What are the primary economic problems which the committee will study? Expectation is that back of the sensational newspaper headlines, back of the political by-play, back of the mere "fishing" in troubled waters, there will be an attempt to study these economic problems of a broad nature:

1. How low wages and sweated labor have found it possible to gain a foothold in spite of an exceedingly high measure of tariff protection.
2. What the concentration in merchandising power has done to the smaller "independent" merchant and what in turn this has done to community life.
3. At what point large scale merchandising begins to lose efficiency and become unwieldy and uneconomic and therefore a burden on the community.
4. The reason for the wide margin of cost in bringing the producer and the consumer together.
5. The effect on manufacturing and distribution costs of excessive capitalization of corporations.
6. The effect on wage earners, investors and society in general of "investment banking" control of large corporations.
7. The extent to which Government can regulate fair business practices or stimulate self-government in business.
8. The future of Canada's anti-trust laws.

Economic Philosophy

It will be observed that this analysis of the problems before the committee bears little resemblance to the agenda as outlined in the resolution of the House of Commons. But the resolution deals with the superficial aspects of the inquiry; the outline above attempts to interpret the economic philosophy behind the resolutions.

Pondering over the implications of the committee's programme, Ottawa is inclined to feel that the 1934 session of Parliament will not see much more than a start made on the investigation. Either the parliamentary committee will have to continue in successive sessions or a permanent form of committee of council to study distribution problems and business methods will have to be set up.

Wage Problem is Biggest

Expectations are that the committee will devote the major share of its time at first to probing into the two questions of "sweat shops" or unfair wages and "mass buying." The two subjects are deemed to be closely related. Manufacturers who are under the accusation of paying inadequate wages pass the buck; they blame the large department stores and the chain stores for their inability to pay proper wages.

The probe really has its roots in truly shocking wage conditions that prevail in some industrial plants in Ontario and Quebec, but chiefly in the latter province. Always noted as a province where low wages have prevailed, Quebec is declared by some independent investigators to have become a hot bed of sweated labor in the days of the depression. To the committee it is said there will be brought numerous well authenticated cases of male workers totalling 55 to 60 hours a week for total wages of $7 and $8; of women, girls and young boys working for even less. The incidents seem to be largely confined to the garments trades, the furniture trades, boots and shoe plants and food canning industries.

Of particular interest is the fact that low living standards have become prevalent in some highly protected industries.

A. F. of L. Report

Last year Sam Hellman, czar of the amalgamated garment workers union of the American Federation of Labor, and a confidant of President Roosevelt, came to Canada to look into conditions. It is said he was disturbed by some of his discoveries. The garment workers are believed to have paid the cost of the investigation into wages made by Prof. H. M. Cassidy of Toronto University and Prof. F. R. Scott of McGill. Their report affirmed the existence of sweated labor. Copies were placed unofficially before members of the cabinet at Ottawa. Wages are a matter of provincial jurisdiction and when minimum wage boards in Ontario and Quebec were consulted they are said to have declared the reports to be exaggerated or incapable of proof. There was some checking up however on conditions, resulting in isolated prosecutions.

Blame Big Buyers

Manufacturers, approached in individual instances, pointed to their problem; they were, they said, being ground down by buyers for the large department stores. Typical instances were quoted to cabinet ministers and others. Manufacturers were told that they could have a large order at a certain price per yard or per pound. The alternative to acceptance of the order was in many cases complete closure of the plant. They called their employees together and asked them if they would be willing to make deep cuts in their wages to enable the order to be filled, the manufacturers agreeing to forego charges for depreciation on machinery, executive salaries, profit, etc. Figuring that half a loaf was

(Continued on page 2, col. 5)

Price Advance Of Past Month Week's Feature

Wholesale prices in January made a strong upward movement from the previous month although the exact change in the index is obscured by a change in the component factors. Sugar manufactured in January was of small volume which, though partly seasonal, was nevertheless well below the total for the same period of 1933.

Carloadings continue at the high level set since the beginning of the year, miscellaneous loadings in particular being far ahead of 1933 totals.

			Change From Prev. Period %	Change From Prev. Year %
Monthly		Jan. '34		
Wholes. prs.	No.	70.6	+ 2.3	+10.3
Sugar mfg.*	lbs.	22,657,397	—59.4	—17.1
		Dec. '33		
Footwr. prd. prs.		944,816	—30.0	— 3.4
Weekly†				
Car loadings	No.	39,543	— 1.5	+24.2
Cattle sales.	No.	12,139	+14.2	+39.0
Hog sales ..	No.	27,360	+ 2.0	+53.8

*Four weeks ended Jan. 27.
†Weeks ended Feb. 3, 8 and 8 respectively.

Highlights of the week

Business Insurance

Answers to five knotty problems. Value of the trained adviser in this technical branch of insurance shown by R. M. Haultain. Page 13

Abused Minority

How majority control of a company may ride rough-shod over a minority. F. W. Wegenast, K.C., makes more suggestions for companies act revision. Page 11

U. S. Money

What the new dollar means to Canada's mines and trade. How it works on world currencies. Told by Dr. Gaines T. Cartinhour, New York University. Page 9

Western Oils

Turner Valley's new lease of life. How company mergers and better equipment are improving recovery. The mining editor's recent visit to the field is enlightening for investors. Page 16

Stevens Probe

Authoritative analysis of what the enquiry expects to uncover about mass buying and sweated labor. The committee's personnel. Where the tariff and anti-trust laws come into the scene. Page 1

McFarland Speaks

Again Wheat King McFarland tells Post readers his views on Canada's wheat. A virile statement. Page 1

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McFARLAND GIVES FACTS WHEAT GLUT

Thinks Figures Give Conclusive Proof of World Plight

LONG VIEW HOPEFUL

But Feels Canada Must Face Bitter Facts of Present Overproduction of Wheat

By JOHN I. McFARLAND
General Manager, Canadian Co-operative Wheat Producers Ltd.

There has been considerable printed comment recently regarding our wheat problem, by pseudo-economists, some of which demands reply.

The controversy rages generally around the question as to whether there really exists any surplus wheat, and also as to whether there is over-production or under-consumption?

If the matter of over-supply were not such a serious reality, I would not consider such articles worthy of attention. However, in view of the fact that over-supply has been such a nightmare to the unfortunate wheat producers, and indirectly adversely affecting so many others in this country, as well as elsewhere during the past five years, I feel it is my duty, in fairness to the producers, as well as to the general public, to make reply.

Few Profit by Over-production

There is probably only one line of business in these Western Provinces, which, beyond doubt, hopes to profit from a continuance of excessive production and continuing burdensome carry-overs of wheat, but this particular line of business comprises a very unimportant percentage of the population, and a portion of those so engaged, are unselfish enough to advocate support of the wheat agreement.

The source of origin of all propaganda against wheat acreage reduction, should, and must, be carefully examined before it is accepted, inasmuch as the value of all criticism depends upon whether it is free from self-interest or entirely altruistic.

Much Loose Talking

On analysis, it will be found that most of what such writers state is in the form of unsubstantiated opinion or conjecture, and generally expresses their own imaginations. They either disregard the physical evidences of plethora, or disparage such evidences in some subtle manner, such as intimating they have knowledge of similar conditions occurring long ages ago. In fact, references have been made to times contemporary with the pyramids, or to years following the Napoleonic Wars. Now, I ask, what assistance can we secure in comparing the present period with the days before the railway and the steamship? What relationship can exist in present times with that of the stage-coach and ox-cart?

One hundred years and more ago, famine could occur in many areas while abundance or surplus might prevail in other parts not far distant. We require to investigate only a few recent years in order to secure all the necessary evidences to prove conclusively a plethora of supplies. Food Research Institute of Stanford University make exhaustive studies and investigations and we can consult their findings and find all the proof necessary. There are other similar bureaus collecting and disseminating similar information and they all very closely agree one with the other. There is plenty of such reliable authority for reference, including various government bureaus, as well as the International Institute at Rome. Need we consult pseudo-economists in order to arrive at the truth, when we have so many official authorities for reference?

Facts Speak for Themselves

As already intimated, it is not necessary to delve into ancient history to secure a solution of the true and actual present-day wheat problem, and I set forth hereunder a table of figures supplied by the Food Research Institute giving the world wheat production, acreage and average yields per acre over the period 1921 to 1932 inclusive, (all exclusive of Russia and China):

12-Year Growth of World Wheat Production (In Millions)

Year	Bushels	Acreage	Yield per Acre
1921	3,098	215.2	14.4
1922	3,118	216.9	14.4
1923	3,427	216.5	15.8
1924	3,044	215.6	14.1
1925	3,292	218.5	15.1
1926	3,353	226.4	14.8
1927	3,567	232.4	15.3
1928	3,905	240.5	16.2
1929	3,402	240.9	14.1
1930	3,663	246.	14.9
1931	3,620	238.	15.2
1932	3,619	243.6	14.9

Post-War Picture

It is admitted European production was back to normal in 1926-27. It is certain the world carryover reached a new high level following the 1927 crop and did not recede; therefore, it is evident the disequilibrium did not begin until the 1927 crop. You will find the average annual production as given above, will give the following results, viz., the crops of the six years 1921 to 1926 averaged 3,222 millions of bushels per year. That represents the average annual production of wheat in that six-year period, and as the crops of those years provided the supplies for that period, it, therefore, follows that that was the consumption during those years, as carry-overs did not materially change, nor was there

(Continued on page 2, col. 1)

EATON'S

Distinguished In Style—
Though Common In Color

Birkdale Specified Blue Serges Suits

$35

With Extra Trousers

Not for a moment would we shout that blue serges were the newest fashion hint, but we do say that we have noticed an appreciable trend towards them lately and we do insist that every man should have some sort of a blue serge suit in his wardrobe.

Birkdale Blues are good anyway you may care to look at them. The serge is exceptionally fine quality—Of nice, even texture and of pleasing, comfortable medium weight. Smartly cut in distinctive models . . . either single or double breasted styles for either young or conservative men. There is also a wide range of type models and practically every tall, short or stout man can be fitted perfectly in a Birkdale Blue.

Second Floor — James St.

THE T. EATON CO LIMITED

ROOTS THAT GO DEEP

Strength comes to a tree by steady growth that drives its roots deeper each year. The history of the Royal Bank, ever since its establishment sixty-four years ago, has been one of soundly conservative progress; its strength is deep-rooted in experience.

THE ROYAL BANK OF CANADA

The Nation's Business

(Continued from page 1)

the subjects under investigation can afford to ignore the probe or with impunity fail to present a full and frank statement of its case.

* * *

Liberal Party and Central Bank

IT IS stated in Ottawa that the Liberal opposition in Parliament has swung completely round on the question of control of the Central Bank of Canada, shortly to be established. At first the Liberals were prepared to take a strong stand in favor of a publicly-owned bank; on the ground that the control of the price level, the management of the country's money and the stabilization of exchanges were social tasks of such importance that they could be adequately directed only under the influence of governmental policy, acting through a quasi-independent government reserve bank.

Now the Liberals are said to be in favor of a privately-owned bank. They fear the possible consequences of political direction of the bank's affairs. They feel that a publicly-owned bank would have less opportunity of maintaining complete independence of outside influences. They do not view with equanimity the prospect of some day having to assume responsibility for unpopular central bank policies.

The Liberals were in power in 1928. Had Canada had a central bank in operation in 1928 it would, had its governors been wise, have begun to put on the brakes on business; to warn against expansion, to call for governmental economy, to hold stock and commodity markets in check and to strive for a reduction in government bank credit. It is frankly admitted that had the government of the day, or a central bank under the control of the government, adopted such a policy, it would not later have got credit for softening the impact of the depression; rather it would probably have been accused by the public of having started the depression.

Footnotes to Ottawa

An Occasional Department of Comment on the Background of Governmental Activities in the Nation's Capital

From Our Ottawa Correspondent

Saskatchewan Sues for $270,000,000

THE Saskatchewan Natural Resources Arbitration Commission is confronted by a claim by the province upon the Dominion for $270,000,000. This huge sum of money represents what Saskatchewan believes the Dominion owes to it for the alienation of public lands and other resources during the period 1905 to 1930. Having regard to the fact that Manitoba got something less than $5,000,000 from the Turgeon Commission four years ago in compensation for alienations extending back to 1870, the Saskatchewan case is causing considerable comment at the Capital.

Saskatchewan bases this claim on the contention that the Dominion played fast and loose with the resources of that province during the period when these resources were administered by Ottawa and that if the province had been in charge from its inception in 1905 the provincial exchequer would now be some $270,000,000 better off than it is. The commission, having received Saskatchewan's claim has adjourned until February 26 when the Dominion will put in a case in rebuttal. The high point of the hearings to date came when one of the commissioners, after Saskatchewan had added up the sum total of its claim, asked if the province would "knock" anything off for cash.

* * *

Test Validity of Creditors Act

THE Companies' Creditors Arrangement Act of last year, whereby shareholders and creditors of companies were to be assisted to come to agreements without involving the destruction of the enterprises, has encountered so many snags that the Government has decided to test its validity in the Supreme Court. A stated case been referred to the court, as follows: "Is the Companies' Creditors Arrangement Act ultra vires of the Parliament of Canada, either in whole or in part, and, if so, in what particular or particulars, or to what extent?"

* * *

Wheat Stabilization Questioned

THE growing tendency in the House of Commons to question the wheat stabilization efforts of the Government may be taken as significant. A succession of Opposition speakers have asked for a detailed statement as to the extent of the Government's commitments. On Tuesday afternoon Hon. Ernest Lapointe, who is second in command of the Liberal party, informed the Government that a complete report on the McFarland operations must be made at this session. It begins to look as if the Opposition will attempt to make a political issue out of the wheat problem.

* * *

Lower Livestock Commissions

THE long awaited reduction in commission charges at livestock exchanges was brought into effect this week by order-in-council. The Government canvassed the commission men on all the exchanges and found that the majority of them were in favor of a reduction—indeed many of them have already reduced their charges—and promptly instructed all exchanges to enforce a cut of varying amounts up to 15 per cent.

McFARLAND GIVES FACTS WHEAT GLUT

(Continued from page 1)

any complaint from exporting countries of under-consumption.

There are many people who now claim there is under-consumption. Let any honest citizen ponder the fact that in the years 1921 to 1926 inclusive, the world wheat production (exclusive of Russia and China) was 3,222 millions of bushels of wheat; that carry-overs did not materially change; that there was no complaint of under-consumption from any of the present-day theorists. Philosophers and pseudo-economists may make much argument, and use much language about present so-called consumptive requirements, but they cannot deny that 3,222 millions of bushels per annum was the world consumption of wheat from August 1, 1921, until August 1, 1927.

How Surplus Accumulated

Now observe the production of the same world in the six-year period 1927 to 1932 inclusive, averaged 3,629 millions of bushels per annum, thus exceeding the immediately preceeding six-year period by the enormous amount of 407 million bushels per annum. The result has been greatly increased world carry-overs, and this in spite of the fact that hundreds of millions of bushels have been fed to animals, in excess of normal, which, if added to world carry-overs, would have greatly increased the present burdensome carry-overs. Furthermore, export values have been the lowest in hundreds of years.

During these over-production years, each and every exporting country has been expressing the impious wish that some misfortune would overtake the wheat crops of other countries so as to correct the intolerable situation which had developed.

Acreage Figures Vital

Look at the above table of figures again and you will observe that acreage increased from 215,000,000 acres in 1921, to 243,000,000 acres in 1932, or an increase of 28,000,000 acres, or 13 per cent increase. Also you will find the first period had an average yield per acre of 14.8 bushels per acre, while the last period averaged only slightly higher at 15.1 bushels per acre; while the average of the twelve years was 14.95. The yields varied only very slightly, which again is proof that acreage affects the production over a period of time. The increase in both acreage and production in the period 1927 to 1932, has been upward of 50 per cent greater than in the average of all other six-year periods in the past 48 years. From 1885 until 1926 the average increase in acreage was about 1,800,000 acres per year. From 1926 until 1932, the increase averaged 2,800,000 acres per year.

It should be observed that Food Research Institute of Stanford, in arriving at world's carry-over stocks, presume to give stocks of all the important countries, whereas the official, or Broomhall computation, is confined to overseas export countries, and afloat stocks. However, let us examine the more comprehensive figures of Stanford University, and you will readily observe that carryovers greatly increased, in fact, nearly reached their peak before there was any thought of depression, which again proves the depression did not cause the excessive accumulations throughout the world.

Wheat Stocks as at August 1, 1922-33

1922	618,000,000	bushels
1923	560,000,000	"
1924	685,000,000	"
1925	529,000,000	"
1926	611,000,000	"
1927	647,000,000	"
1928	705,000,000	"
1929	970,000,000	"
1930	922,000,000	"
1931	1,007,000,000	"
1932	996,000,000	"
1933	1,106,000,000	"

Carryover up 100 Per Cent

You will observe world carryovers increased from 529 millions in 1925 to 1,106 millions in 1933, an increase of over 100 per cent. It would have been much greater except for the unusual quantities used for feeding livestock, and, mark you, there was unusual feeding to livestock in all countries where wheat was in abundance or cheap. The wheat farmer cannot expect to secure a profitable price for wheat as an animal foodstuff.

What boots it to proclaim that if each person in the bread eating countries would consume an extra slice per day, the surplus would disappear in a year? Why resort to such specious argument? It indicates insincerity, procrastination, or ulterior motive. The originators of such fancies are quite well aware it would require years to accomplish, if ever. Have these vapid theorists increased their own consumption?

American Crop Disastrous

The North American 1933 wheat crop was the most disastrous in the history of this continent. The seeded acreage was about 90 millions of acres, or 37 per cent of the world's total acreage, and, notwithstanding such unprecedented disaster on that immense acreage, we find the world production was larger than in any year prior to 1927, and actually exceeded the world short crop of 1929.

You will note the above world's carryover in the five year period 1929 to 1933, averaged 1,000,000,000 (one billion) bushels per year, and only recently the Food Research Institute of Stanford University estimated the world carryover on August 1st next will be 986,000,000 bushels; only 14 millions of a reduction, in spite of the 1933 North American crop disaster.

Long Term View Sound

In the long view, I still believe Western Canada's principal industry is soundly based and capable of great expansion, but I am presenting these figures to show that for the next year or two, at least, we must help the other nations to set the wheat market in order. It may take longer than that. Eventually we will win through and take up again the task of developing our idle fertile acres. Meantime, we should not delude ourselves about the pressing nature of the problem confronting us.

The statistics in this letter are based on recognized authorities, and not on suppositions or references to past ages.

BIG BATTLE STARTS MAR. 5 OVER N. R. A.

(Continued from page 1)

between costs and purchasing power, presuming that wages are the factor which should bring balance in this equation, thus making certain the defeat of the major purpose that was originally presumed to underlie N.R.A., so far as the present situation is concerned.

Industry Could Not Pay

Only if the flood of federal money, being pumped out through public works, civil works and relief administrations proves sufficient to sustain industry, and to make it thrive in its own right, will it be possible for N.R.A. to return to its original theory. Industry could not afford it, could not support it, in the form in which it was originally conceived.

The publisher mentioned before produces a chain of newspapers, probably a dozen of them or more. All of them, he contends, are incurring severe losses through the part they are playing in the re-employment plan. He is in Washington to see if something can be done about his problem.

Working on Credit

He considers his own position very bad, but feels that it is much better than that of the average business man.

"Re-employment," he explained, "made it certain that my properties would take heavy losses. But my organization is big enough to get almost unlimited credit—for six months or a year. Smaller firms did not have this advantage, and even we are now faced with the fact that there has not been sufficient of a trade revival to support this added cost, this added credit obligation we accepted. It takes longer for us to reach our limit than it does for the smaller firms, but we are reaching it.

"I am not opposing theories or resisting social advancement. I am asserting that it would be a calamity for several thousand men if my enterprises should be taxed by more than they can stand under this programme. Many businesses, I know, cannot carry their present burden much longer."

Need Unlimited Credit

This may be an exaggerated view. Self-interest impels men to issue strong statements. But weight is likely to be given such opinions as the N.R.A. revises itself next month. It can seek more of "social revolution" only if credit is made available on vastly more generous terms than at present. Industry, on the current operating base, will move toward collapse, not a "new era," if its burdens are increased without surety being provided of its ability to bear them.

Ontario Loan Highly Liquid Ratio is 161 %

Liquidity of assets of Ontario Loan & Debenture Co., London, Ont., was substantially increased during 1933. At December 31, 1933, the ratio of cash and liquid securities to deposit liabilities was 161 per cent. In The Financial Post of February 10 a regrettable error in a headline indicated that this ratio was only 16 per cent although the actual condition of the company was given in the story. Ontario Loan & Debenture Co. has always maintained a highly creditable liquid position. At the end of 1932 the liquid ratio of the company was 140 per cent.

During 1933, Ontario Loan & Debenture Co. increased its investment in bonds of the Dominion of Canada, the Canadian provinces and the United Kingdom by $948,438 bringing this item in the balance sheet to $1,671,432. The company issued additional debentures and took in additional deposits to the amount of $490,408 bringing the total of investments by the public with the company to $8,822,830, the largest in its history of 63 years.

Earnings of the company in 1933 equalled $6.30 per share on the 40,000 shares of $50 par value stock outstanding. Dividends were continued at the rate of $6 per share. Reserve fund was maintained at $3,200,000.

STEVENS' COMMITTEE STUDIES 8 PROBLEMS

(Continued from page 1)

better than none at all workers took the proffered wages and instead of blaming their employers for sweating them sympathized with the employers' problems. Gradually low wages have spread.

There is a disposition on the part of the manufacturers to blame the large buyers for the existing problems; both that of low wages and that of profitless operation of their plants. It is not expected however that the department stores will permit the allegation to go undefended. At Ottawa, they have largely been pre-judged; but they will have ample opportunity to challenge the criticisms.

Defending Tariff

One thing that has moved the hand of the government in instituting the enquiry is the desire to defend the tariff structure. Cabinet ministers have stumped the country defending high tariffs on the ground that they were upholding the Canadian standard of living. As evidence has been published of low wages paid in protected plants, the tariff structure, as well as the social structure of the country, has been threatened. When provincial labor laws proved inadequate to correct abuses it was decided to find out the facts by public enquiry and then to seek the remedy on the basis of those facts. If the remedy can not be found under the existing division of constitutional rights Ottawa may go so far as to seek a change in the constitution.

It is not likely that the parliamentary committee will become a public laundry for the washing of all the dirty linen in the case. It is planned to appoint commissioners who will investigate individual industries and make reports to the committee. This, it is hoped, will circumvent the problem of the natural timidity of "exploited" workers and manufacturers who do not wish to air their grievances too publicly.

Two Types of Mass Buyers

At Ottawa there is a distinct difference of opinion as to the relative positions of the department stores and the chain stores. There is a willingness to believe that the chain food store is a cost saving invention as important as, for instance, the motor car; to believe that its economic soundness to society has been proven and that it should not be pilloried simply for reducing costs of distribution. But in the case of the department stores, there are those who hope to file evidence to prove that they have not greatly lowered the margin between consumer and producer, that they have developed such large overhead expense that the savings they have squeezed out of manufacturers and labor have gone into increased expenses. Thus a careful study of the mark ups and cost margins of different types of merchandise is certain to be made before the committee rises. This may bring before the public a vast amount of data as to the sales, profits etc., of huge merchandising organizations whose figures have been inviolable secrets in the past.

To the suggestion: "that means publication of the secret internal figures of large private corporations" the answer of a well informed authority was "Exactly; the public is going to get a lot of facts that various corporations have considered their own private business."

Study Industrial Capital

In view of some addresses made by Hon. H. H. Stevens in which he criticized over-capitalization of large industries and "investment banking control" of those industries there is particular significance in the power given to the committee to inquire into questions of capitalization. The committee will study the problem from the viewpoints of three groups; investors, workers and consumers. The temptation will be strong to bring the pulp and paper industry before the committee as a case listing in financial exploitation. But if the investigation of the milling and baking industry does not provide evidence as to the supposedly evil effects of stock watering, abstraction of shareholders' control, etc., then the pulp and paper industry will probably be taken up.

Sparks Not Official

To gather evidence for the Stevens enquiry government officials and industrial experts are being conscripted to carry out individual investigations. The report appearing in The Financial Post last week that R. P. Sparks might head the investigators, has been denied. Mr. Sparks will be prominent before the committee in a private capacity as representative of various interests.

Committee Appointed

Six Conservatives, four Liberals and one U. F. A. member, headed by Hon. H. H. Stevens, comprise the committee. Few members have had manufacturing and merchandising experience.

Professions of the eleven members are as follows: four lawyers, three farmers, one merchant, one lumberman, one manufacturer and Mr. Stevens, who has spent almost his entire life in the political arena.

Sketches of the careers of the members of the committee follow:

Hon. Henry H. Stevens, LL.D., Conservative, Kootenay East, is Minister of Trade and Commerce in the present government. First elected to the House of Commons in 1911, previously being an alderman of Vancouver. Elected Minister of Trade and Commerce in the Meighen Government, 1921; Minister of Customs and Excise in the Meighen Government, 1926; appointed to present position in 1930.

Jean Louis Baribeau, Conservative, Champlain, elected in 1930. Prior to that he was mayor of Ste. Genevieve de Bastican. He is a merchant, being a member of the firm of Donat Baribeau et Fils, founded by his father.

Thomas Bell, Conservative, St. John-Albert, has been a member of the House of Commons since 1925. He served as a member of the Military Hospital Commission during the Great War and is a lumberman.

Alexander M. Edwards, Conservative, Waterloo South, is a well-known manufacturer, president of the Galt Stove and Furnace Co. He is a past president of the Board of Trade, mayor of Galt 1916-17 and was first elected to the House of Commons in 1925.

Major William W. Kennedy, M.C., K.C., LL.B., Conservative, Winnipeg South Centre, is a barrister by profession. First elected in 1925, defeated 1926, re-elected 1930.

Mark C. Senn, Conservative, Haldimand, began his career as a teacher but turned to farming after 4 years. He was secretary-treasurer of the Oneida Farmers Mutual Fire Insurance Co. from 1914-21. First elected 1921.

Oscar L. Boulanger, B.A., B.C.L., K.C., Liberal, Bellechasse, is a former national president of the Native Sons of Canada and is a barrister. He is a prominent member of the Quebec and Montreal Reform Clubs. Elected to the House of Commons in 1926.

Samuel Factor, Liberal, Toronto West Centre, had considerable experience in city politics before being elected to the commons in 1930. He is a barrister.

James L. Ilsley, K.C., B.A., LL.B., Liberal, Hants-King's, N.S., is a barrister. First elected to the House of Commons in 1926.

Edward J. Young, Liberal, Weyburn, has been a member of the House of Commons since 1925 and is a farmer.

Donald M. Kennedy, U.F.A., Peace River. Entered municipal politics at Fairview, Alta., in 1917, secretary-treasurer 1918, 1919. Has held various offices in the U.F.A. Elected to Alberta Legislature 1921 and to House of Commons same year.

Price Creditors Bowater Offer Now Withdrawn

From Our Own Correspondent

MONTREAL—Affairs of Price Bros. and Co. are not going to be allowed to drag with the interested parties bidding against one and another to see who will get control of the property, judging by the latest move of Bowater's Paper Mills.

Bowater's have withdrawn the offer made to the Hon. Gordon Scott, representing the unsecured creditors, for such interest as he may have in the assets of the bankrupt company.

This decision does not in any way affect the offer made to the bondholders nor to the preferred and common stockholders.

At the same time Bowater's have stepped up the ante made to the Bondholders' Protective Committee by amending their original offer to provide for the payment of interest arrears in cash.

Later on it is the intention of Bowater's to prepare and present a new offer to the trustee as and when in their opinion "the present long drawn out negotiations can be brought to finality."

Set Forth Position

In an official statement covering the withdrawal of the offer to the unsecured creditors, Bowater's point out that the trustee will likely convene meetings to consider the scheme of arrangement submitted by the bankrupt company and sponsored by an underwriting syndicate of Lord Rothermere, Lord Beaverbrook and the Duke-Price Power Co.

They draw attention to the fact that the proposed scheme of arrangement cannot be carried into effect without the sanction of 75 per cent of all the bonds outstanding. The Bondholders' Protective Committee control over three-quarters of the total issue of bonds and have contracted to accept the proposal put forward by Bowater's

"Revised Quotations"

We have revised our folder of year-end quotations covering a broad selection of Canadian public utility, corporation, navigation and transportation bonds, and shall be pleased to furnish copies of the revised list upon request.

May we again suggest that you review your holdings, and give us an opportunity to discuss your investment problems with you.

W. C. PITFIELD & COMPANY
LIMITED
80 King Street West TORONTO 'Phone Adelaide 6144
Montreal Ottawa Quebec Saint John
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Over 550 branches in touch with the business life of Canada.

BANK OF MONTREAL
Established 1817

MODERN, EFFICIENT BANKING SERVICE . . . . the outcome of 116 years' successful operation

M. W. Locke Shoes
—a "Good Buy"

- —for quality
- —for long wear
- —for smartness
- —for comfort
- —for correcting foot ailments

Even without the famous corrective qualities, M. W. Locke shoes at $10 would be excellent value. They are made by expert shoemakers. Only selected leathers of the finest quality are used. M. W. Locke shoes fit comfortably and give exceptionally long wear. M. W. Locke shoes are good looking, too, in several smart styles.

Qualified medical practitioners are at Simpsons in connection with the fitting of this famous corrective footwear.

Note: M. W. Locke shoes are exclusive with Simpsons in Toronto, Hamilton, Montreal, Regina and Halifax.

$10
STREET FLOOR

THE ROBERT SIMPSON COMPANY LIMITED

TWENTY-FIRST ANNUAL REPORT
OF

The Waterloo Trust and Savings Company

DECEMBER 31st, 1933

ASSETS AND LIABILITIES

ASSETS

CAPITAL ACCOUNT		
Office Premises, Waterloo and Kitchener, including Safety Deposit Vault, etc., and fixtures, Galt and Preston		$ 199,935.00
Other Real Estate		200,345.81
Demand Loans Against Securities		
Loans on Company's own stock and other securities		374,955.29
Dominion and Provincial Gov't Bonds	$ 42,055.05	
Canadian Municipal Bonds	19,287.63	
Other Bonds and Debentures	310,779.51	
		372,122.19
Other Assets		34,647.28
Advances to Estates under administration		16,345.90
Cash on hand and in banks		20,562.11
Advances to Guaranteed Trust Account		225,000.00
		$1,443,913.58
GUARANTEED TRUST ACCOUNT		
Mortgages	$5,081,267.56	
Interest due and accrued	150,743.56	
		5,232,011.12
Dominion and Provincial Gov't Bonds	505,383.39	
Dominion and Provincial Gov't Guar. Bonds	295,307.00	
Canadian Municipal Bonds	1,390,581.93	
Other Bonds and Debentures	233,982.22	
		2,425,254.54
Demand Loans against securities	97,129.49	
Interest due and accrued	2,005.96	
		99,135.45
Cash on hand and in banks		192,647.38
		$7,949,048.49
ESTATES, TRUSTS & AGENCY ACCOUNT		
Mortgages		$ 504,426.20
Bonds		280,083.69
Sundry Trust Investments		77,125.62
Cash on hand and in banks		102,435.90
Inventory value of Unrealized Estate Assets		2,753,497.02
		$3,717,578.43
		$13,110,540.50

LIABILITIES

CAPITAL ACCOUNT	
Capital Paid-up	$1,000,000.00
General Reserve	200,000.00
Investment Reserve	200,000.00
Dividend declared (Paid Jan. 2, 1934)	20,000.00
Profit and Loss	13,913.58
Provision for Taxes	10,000.00
	$1,443,913.58
GUARANTEED TRUST ACCOUNT	
General Guaranteed Investment Receipts	$3,557,238.57
Trust Deposits	4,166,809.92
Advances from Capital Funds	225,000.00
	$7,949,048.49
ESTATES, TRUSTS & AGENCY ACCOUNT	
Trust funds for Investment	$ 947,735.51
Advances from Capital Funds	16,345.90
Inventory value of unrealized Estates Assets	2,753,497.02
	$3,717,578.43
	$13,110,540.50

To the Directors and Shareholders of The Waterloo Trust and Savings Company—

GENTLEMEN:

We beg to report that we have audited the books of account and vouchers of your corporation for the year ending 31st December, 1933, and have verified the cash, bank balances, and securities of the corporation.

That we have examined the annexed statement, and that it agrees with the books of the corporation.

That after due consideration we have formed an independent opinion as to the position of the corporation.

That with our independent opinion so formed, and according to the best of our information and the explanations given us, we certify that in our opinion the statement sets forth fairly and truly the affairs of the corporation.

That all transactions of the corporation that have come within our notice have been within the powers of the corporation.

Respectfully submitted,

J. P. SCULLY, C.A.,
R. P. UFFELMAN, C.A., Auditors.

Kitchener, Ontario, January 27th, 1934.

NEWS FROM

Canada's Capitals

A week-by-week summary from Ottawa and the provincial capitals of legislative developments of interest to business.

Week in Ottawa

PARLIAMENT opened on January 25 when the Speech from the Throne was read in both Senate and Commons.

In the Commons the opening day brought the introduction of three new members (Liberals) and on January 26 a brief session was held to permit the government to table the main estimates and other departmental documents.

Monday, Jan. 29.—Hon. H. H. Stevens introduced an amendment to the Precious Metals Marketing act (explained elsewhere in this issue) and Hon. Hugh Guthrie introduced a bill to amend the Importation of Intoxicating Liquors act. Mr. Guthrie's bill will legalize the present practice of shipping beer from breweries to private retailers. C. H. Cahan introduced a bill to form a Bureau of Translation. Mr. King began the political controversy of the session by vigorously assailing the record of the government and calling for a general election.

Jan. 30.—Mr. Bennett replied to Mr. King intimating that the government is aware the business community is opposed to an early election—but not committing himself one way or the other.

The debate continued on January 31 and February 1.

Feb. 2.—Mr. Bennett announced decision to appoint committee to investigate the effects of mass buying and the spread between production and retail costs of agricultural products; the personnel is expected to be chosen this week.

Monday, Feb. 5—A. A. Heaps, Labor, Winnipeg North, moved a resolution calling for a reduction in hours of labor and an increase in wages, "thereby creating a more equitable distribution of our wealth." Hon. Hugh Guthrie, Minister of Justice, stressed the constitutional difficulties but promised that the government would see what could be done. The resolution carried. J. S. Woodsworth, C.C.F., leader, moved a resolution calling for the establishment of a co-operative commonwealth. Debate adjourned.

Feb. 6—Select standing committees appointed. Second readings:—Amendment to Precious Metals Marking act, Importation of Intoxicating Liquor bill. Debate on Address resumed.

Feb. 7:—George Coote, U. F. A., Macleod, moved a resolution calling for the financing of a public works programme by direct Dominion note issue. Resolution talked out.

Feb. 8:—Debate on Address in Reply continued.

Feb. 9:—Second Reading: Bill to amend Criminal Code with respect to appeals from Summary Convictions, introduced by A. U. G. Bury, Conservative, Edmonton East. Debate on Address in Reply continued.

The Senate.—Seven new senators were introduced on the opening day. They were all government appointees and will be listed as Conservatives although party lines are never closely drawn in the Red Chamber.

Feb. 1.—Senator Bardnard introduced a bill legalizing hospital sweepstakes and the Senate adjourned until February 20, not without protest from several of the younger members.

* * *

Alberta

EDMONTON, Feb. 8—Extension of public utilities board powers to various products so as to stabilize prices and avoid unfair competition announced in throne speech. Other changes forecast include highway work for relief purposes and extension of the debt adjustment act.

Feb. 9—A. M. Matheson, moving adoption of throne speech, asked for legislation to protect retailers from unfair competition. Seconder proposed bonding of lawyers handling trust funds.

* * *

Manitoba

WINNIPEG, Feb. 8 — Legislation which the government will bring down, revealed in the throne speech, will affect the companies act, the public utilities board jurisdiction over milk, the county courts and surrogate courts acts, the real property and the public health acts. A new assessment act will also be placed before the house.

Feb. 9—W. Sanford Evans, leader of the opposition, criticized the government's stand relative to the London Wheat Agreement.

* * *

Ontario

TORONTO, Jan. 31—Throne speech forecast milk control legislation, increased highway relief work, and stricter inspection and grading of farm produce by changes to the agricultural act.

Feb. 1—Throne speech debate introduced and adjourned until Feb. 6.

Feb. 5 — Standing committees elected.

Feb. 6—Adjourned debate on throne speech continued. Further adjourned until Feb. 8.

Feb. 7—Liberal leader moved want of confidence motion.

Feb. 8—Premier Henry countered with an amendment pointing to the economic improvement taking place. Throne speech debate continued.

Feb. 12—Bill to widen scope of Juvenile Courts gets second reading.

Feb. 13—William Newman, Liberal, advocated a cut of two per cent in interest on all farmers loans.

* * *

Quebec

QUEBEC.—Jan. 23. Bill to control activities of night clubs, particularly in Montreal, received first reading.

Jan. 24.—Bill to give police control of distribution of bills and posters advertising meetings received first reading. Bill to force handlers of dairy produce to submit to medical examination introduced.

Jan. 26.—Revision of the charity fund legislation sought in bill given first reading. Bill would force all amusement tax collections into general fund instead of special fund as at present. Bill to force farmers to carry lights on horse-drawn vehicles introduced for the third successive year.

Jan. 29.—Bill to amend Motor Vehicles Act given first reading. Bill to control the extension of collective labor agreements and bill providing for the establishment of a farm for the betterment of those leaving prisons get first reading.

Nickel Exports Double

A marked increase in the export of nickel from Canada during 1933, as compared with 1932, is shown in a report of the Dominion Bureau of Statistics. The gain amounted to over $15,500,000 or 212 per cent. The value of the 1933 export of nickel was $22,795,963 as against $7,283,964 in 1932.

Bell Telephone Revenue On Operations in 1933 Falls Below Dividends

Gross Revenue Registers Drop of Nearly $2,400,000

TRANSFER A. T. LOAN

Reduce Floating Debt by $5,360,000 — Operations More Favorable of Late

From Our Own Correspondent

MONTREAL. — Further shrinkage in gross revenues of the Bell Telephone Co. of Canada lessened the amount of net income available for distribution on the capital stock, with the result that the company had to draw upon surplus to take care of the dividend even though the latter was $6 a share, compared with $7.25 in 1932.

Net income for dividends was $4,329,442, compared with $4,740,941 in the previous year. This was equivalent to $5.62 a share on the average outstanding stock as against $6.16 in 1932.

Gross Revenue Down 8 Per Cent

From all sources the gross revenue of the year was $35,695,236, a decrease of 8 per cent from the total of 1932.

Local service revenue was $26,955,759, a decrease of 7 per cent compared with the previous year.

Long distance revenue was $7,400,371, a decrease of approximately 8 per cent.

Miscellaneous revenues and income from outside investments were $1,339,106, a decrease, after certain readjustments, of 27 per cent compared with 1932.

Draw on Reserves

Particulars of the income account for the past two years follow:

	1933	1932
	$	$
Oper. Revenue	35,319,328	38,071,800
Less Expenses	24,328,825	26,677,566
Net Oper. Reserve ..	10,990,503	11,394,234
Less: Uncoll. Rev. ..	332,596	329,821
Taxes	2,160,100	2,190,200
Operating Income ...	8,497,807	8,874,213
Add: Non-op. Inc. ...	375,906	783,546
Gross Income	8,873,713	9,657,759
Less: Rent, etc.	107,172	441,487
Other Interest	992,342	1,030,774
Bond Interest	3,375,000	3,375,000
Debt Disc.	69,757	69,557
Balance	4,329,442	4,740,941
Less: Dvds.	4,621,719	5,577,809
Surplus	292,276	*836,868

* Deficit.

Liabilities Are Lessened

Several important changes are noted in the balance sheet, which showed assets of $213,300,398 at the end of 1933 compared with $217,340,210 on the same date of the preceding year.

Principal change was the redemption of the loans advanced by the American Telephone and Telegraph Co. These advances at the end of 1932 totalled $12,245,000. They were repaid in American funds, the premium paid on the latter averaging 5.84 per cent.

In order to carry out this transaction it was necessary to borrow from the Canadian banks, to whom the company still owes $6,650,000. Particulars of this transaction are set forth in the president's remarks.

Capital Liability Higher

Capital stock outstanding shows a slight increase, from $77,007,700 to $77,082,000. The long term debt at $71,867,835 shows a minor increase, due to the sale of additional notes to the Trustee of the Pension Fund.

Among assets, fixed capital at $191,316,558 remains about the same. Investment securities have increased from $14,006,968 to $14,113,397.

Liquidate Current Assets

Current assets show a shrinkage, due to the liquidation of certain items to meet loan redemptions. Approximately $2,000,000 of notes receivable and Dominion bonds were liquidated, while cash on hand shrunk from $1,738,031 to $280,058.

Relatively minor changes occurred among the other assets and liabilities.

Sets Forth Position

In his report to the shareholders, C. F. Sise, president, had the following to say in part:

"There was a continued decrease in the number of telephones in use; 171,773 were connected and 213,602 disconnected, a net loss of 41,829 compared with the greater figure of 61,765 in 1932.

"It is to be noted that in the first half of 1933, the number of telephones fell off by 33,833, and in the second half by 7,996. This comparison shows not only an improving trend of business but points definitely to the time at which its effect was felt.

"The trends of long distance use and revenues have been similar. The gross receipts for this service were less by $600,000 than in 1932, but there was a definite improvement during the last quarter of 1933.

Telephones in Service

"There were 671,139 telephones in service at the end of 1933, distributed as follows: Business, 238,291; residence, 432,848.

"Included in this total were 69,199 extension telephones.

"Other telephone systems in Ontario and Quebec with which we interchange service now number 849, serving 137,170 telephones, a decrease of 6,610 during the year.

A. T. and T. Loans

"On December 31, 1932, the amount of United States funds owed by your company to the American Telephone and Telegraph Co. was $12,245,000. By the end of December, 1933, this indebtedness had been reduced to $235,000, which has since been repaid. To effect this result United States funds were purchased from time to time at premium rates on a continuously declining scale and finally at a discount. The average premium cost was 5.84 per cent. Appropriations from surplus totalling $500,000 had been made in previous years to meet this expense and the balance, amounting to $335,135 is charged to surplus this year.

"To aid in financing purchases of United States funds, advances of Canadian funds were obtained from the company's bankers to a maximum amount of $7,000,000 against which the company hypothecated as collateral security a like amount of its series "C" first mortgage 5 per cent bonds. To December 31 repayments on account of these loans totalled $350,000, leaving a net indebtedness to the company's bankers of $6,650,000. No new financing on this account is at present in prospect, nor does the construction programme call for any large capital expenditure.

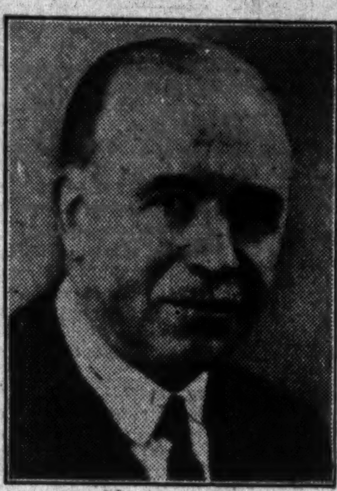
Reduce Loans $5,360,000

"The reduction in loans during the year amounted to $5,360,000. For this purpose cash, call loans, and marketable securities on hand at the end of 1932 were utilized in addition to unexpended funds from the depreciation reserve.

Spent $8,878,000 on Plant

"Gross additions to the company's plant in 1933 amounted to $8,878,000, of which the principal items were: Land and buildings, $36,000; central office equipment, $1,474,000; subscribers' station equipment, $4,685,000; outside plant, $2,515,000.

Joins Royal Trust Board



R. S. McLAUGHLIN

Of General Motors Corp. of Canada, who has been elected a director of the Royal Trust Co.

CANADIAN BRONZE INCOME DECLINES SLIGHTLY IN 1933

Business from Railways Shows Gain in Closing Months

From Our Own Correspondent

MONTREAL—With earnings on the common stock amounting to 75 cents a share, revenues of Canadian Bronze Co. registered a contraction in 1933, amounting to $110,440 compared with $121,867 in the previous year.

Operations and revenues of the company are largely dependent upon railway traffic, its principal product being bearings for railway cars. During the first half of 1933 the volume of traffic handled by the railway systems in this country did not show any material improvement over 1932. From mid-year on, however, conditions were more satisfactory.

Carried Forward Surplus

Canadian Bronze's income account for the last year shows that after taking care of the preferred dividend, there was a balance of $60,040 available for the common stock. This was $11,427 less than in 1932. As the distribution on the common stock was reduced during the year, the company was able to show a surplus of $12,040 compared with a deficit of $28,533 in 1932.

Details of the profit and loss account for the past three years follow:

	1933	1932	1931
	$	$	$
Net profit	110,440	121,867	198,377
Pfd. divs.	50,400	50,400	50,400
Balance	60,040	71,467	147,977
Com. divs.	48,000	100,000	175,000
Balance	12,040	*28,533	*27,023
Sink. fund	6,044	7,146	14,797
Surplus	5,036	*35,679	*41,820
Prev. surp.	†319,337	465,866	512,387
Balance	325,373	430,187	470,567
Inv. deprec.	......	105,000	......
P. & L. bal. .	325,375	325,187	470,567

* Deficit.
† After adjustments.

Working Capital Position

	1933	1932	1931
	$	$	$
Curr. assets ...	540,091	740,367	838,515
Curr. liabs.	111,610	103,969	181,002
Work. cap. ..	428,481	636,397	657,512

Strong Liquid Position

The balance sheet at the end of 1933 showed a strong liquid position, net working capital being adequate to take care of a considerable increase in volume of business. Assets totalled $1,501,222 as against $1,478,612 at the end of 1932.

There is no change of importance in liabilities, while among assets the investment account stands at $232,201 after charging off a reserve of $169,062. At the end of 1932, investments were shown on the books at $229,520.

Current assets do not show any radical change, inventories being approximately the same as in 1932. Accounts receivable are up $22,000 to $152,267, while the cash position has increased about $10,000 to $43,543.

Fixed assets are carried on the books at $727,549 after allowing for a depreciation reserve of $461,843. In the previous year this item was shown at $745,775 after charging off a depreciation reserve of $431,984.

Canadian Pacific Directors More Cheerful Over Outlook

From Our Own Correspondent

MONTREAL.—Directors of the Canadian Pacific Railway Co. have decided to continue the deferment of dividends on the preferred stock and ordinary shares. Following a meeting of the board this week, the following announcement was made:

"While the directors are naturally gratified at the improvement in the company's earnings which began in December last, the results of the operations of the year 1933 do not warrant the declaration of dividends on the preference or ordinary stocks of the company for that year.

"It is encouraging to note that from the beginning of the year 1934, the company's traffic earnings have shown continued improvement over those of the same period last year, and that present indications point to the probability of this improvement being maintained."

W. C. Pitfield Chairman Phillips Electrical Works

From Our Own Correspondent

MONTREAL.—Ward C. Pitfield, of Montreal, has been elected Chairman of the Board of Directors of the Eugene F. Phillips Electrical Works, while J. B. McCarthy, also of Montreal, has been appointed vice-president in charge of sales.

The board of directors now is as follows: W. C. Pitfield, Montreal, chairman; Lawford Grant, Montreal, president; Frank N. Phillips, vice-president, American Electrical Works, Phillipsdale, R.I.; W. F. Benoist, vice-president, Chicago, Ill.; Colonel J. J. Creelman, K.C., Montreal; Sir Alexander Roger, chairman, British Insulated Cables, London, Eng.; Johnston Sinclair, director, British Insulated Cables, London, Eng.; Donald E. Jackson, Smith Realty Co., Providence, R.I.; and Mr. A. F. Adams, chairman, Associated Telephone and Telegraph Co., Chicago, Ill.

ROYAL TRUST PROFITS IN 1933 REGISTER GAIN

Assets Under Administration Show Good Increase Last Year

From Our Own Correspondent

MONTREAL.—Royal Trust Co.'s financial statement for 1933 shows an increase in earnings over that reported for 1932; total assets under administration advanced by nearly $30,000,000 during the year; while the assets of estates and trusts managed by the company increased by $21,000,000 in 1933 and securities held for safe-custody advanced by $8,000,000.

Gross revenues received by the company from all sources in 1933 totalled $483,630. This compares with $463,527 in 1932. After providing for taxes, contribution to the Pension Fund and the payment of regular dividends, there remained a surplus of $70,791, which compares with $61,387 in 1932.

Larger Surplus Forward

Details of the income account for the past two years follow:

	1933	1932
	$	$
Revenue	483,630	463,528
Less: Dvds.	320,000	320,000
Taxes	80,339	69,641
Pension	12,500	12,500
Balance	70,791	61,387
Brought Forward ...	534,361	472,974
Carried Forward	605,152	534,361

Bank Loans Higher

At the end of last year assets owned by the company totalled $11,123,611 compared with $10,881,830 in 1932. No change has taken place in the issued capital stock or reserve fund. Unappropriated profits are larger, as shown in the income account, while the amount due to the banks totals $4,692,060, as against $4,523,916 at the close of 1932. Accounts due and accrued remain about the same.

The principal changes among the assets owned by the company are an increase in bonds and stocks held, notably Dominion, provincial and municipal. These assets are carried on the books at $7,558,440.

Loans made by the company from its own funds declined during the year from $709,743 to $272,871. Advances to estates and trusts under administration also showed a falling off, declining from $1,263,164 to $1,014,607.

Other items among liabilities and assets do not show any material change.

Trust Funds Larger

Trust funds held for investment by the company now stand at $8,019,229 compared with $7,189,461 a year ago, while indemnity, surety and guarantee bonds have dropped in value from $130,982 to $10,582.

Buy More Bonds

The trust funds are secured by mortgages on real estate, bonds and stocks and loans. It is noted that the amount invested in mortgages has declined from $1,849,098 to $1,535,112. Holdings of Dominion, provincial and municipal bonds have increased, as also loans on bonds and stocks which now stand at $2,687,710 compared with $2,232,299 a year ago. Cash on hand is larger, amounting to $398,127.

Estates and trusts managed by the company have increased in value of assets from $479,414,081 to $500,679,375, while the safe custody account has expanded from $129,324,627 to $137,428,576.

Increase Share Value

In his report Sir Charles Gordon recommended that the valuation of the company's shares, which have a par value of $20, should be established at $70 a share—an increase of $5 a share over that prevailing in 1932.

At the annual meeting Sir Charles remarks were largely confined to the relatively low cost of trust company's services, while R. P. Jellett, general manager, drew attention to the fact that the company's interest in Western farm loans was comparatively small.

Paton Manufacturing Co. Make Executive Changes

From Our Own Correspondent

MONTREAL.—J. M. Mackie, former vice-president, has been elected to the presidency of the Paton Manufacturing Co. to succeed the late F. G. Daniels.

J. D. Dodd succeeds Mr. Mackie as vice-president. F. R. Daniels has been elected to the board of directors to fill the vacancy left by the death of his father.

ALDRED TRUST PROFITS IN 1933 DROP SLIGHTLY

Large Block of Debentures Retired — Equity Equals 64¾ Per Cent

From Our Own Correspondent

MONTREAL—A further, though moderate, decline in revenue is reported by the Aldred Investment Corp. (Canada) for 1933 compared with the preceding year. Gross income amounted to $94,831 as against $108,444 in 1932. In neither year was income sufficient to cover interest on the outstanding debentures.

Net loss for 1933 amounted to $11,194 or $4,562 more than that for the previous year. The fact that the loss is not greater was due to a reduction in debenture interest charges and on the premium paid for the purchase of American funds to meet interest requirements.

Particulars of the income account for the past three years follow:

	1933	1932	1931
	$	$	$
Revenue	94,831	108,444	135,269
Gen. exp.	6,704	6,765	6,325
Balance	88,127	101,679	129,044
Deb. int.	98,059	105,570	111,677
Balance	*9,932	*3,891	17,367
U. S. exch.	1,262	2,738	9,432
Balance	*11,194	*6,629	7,935
Losses	......	......	†5,033
Balance	*11,194	*6,629	2,902
Prev. bal.	59,302	67,266	70,647
Total	48,109	60,637	73,547
Adjust.	......	......	‡6,281
P. and L.	48,109	60,637	67,266

* Deficit.
† On securities sold.
‡ Including 1930 income tax.

Capital Surplus Credit

At the end of last year the balance sheet showed assets totalling $3,068,534 compared with $3,236,836 at the end of the previous year. Outstanding debentures were reduced from $2,270,500 to $2,007,000. Cancellation of these debentures resulted in a further credit to capital surplus of $144,619, against which there was written off net loss from sales of securities amounting to $32,224, leaving a net credit of $112,394 added to this account, which now stands at $217,009.

No change has taken place in the amount of the outstanding capital stock. As regards the preferred issue, arrears of dividends on this stock now amount to $105,000.

Security Values Higher

Investments are shown on the balance sheet at cost or $2,961,377. This compares with $3,145,690 in 1932. Based on current market prices as of last December 31, the estimated value of the corporation's investments, including net current assets, was $1,299,540 or approximately $64.75 per $100 debenture. This figure compares with $56 per $100 debenture at the end of the previous year.

Changes in Portfolio

During 1933 the company sold $25,000 German Central Bank of Agriculture 6 per cent bonds; $40,000 German Government International 5½ per cent bonds; $10,000 International Power Securities Corp. 7 per cent bonds; and 5,463 common shares of Edison General Electric Co. in Milan. The German securities were sold at a loss, which was offset by a profit on the sale of the shares of the Edison General Electric Co. of Milan, resulting in a net loss of $32,225.

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Utilities and Transportation

MAR. TELEPHONE REVENUE IN 1933 REGISTERS GAIN

Sale of Bonds Cleans Up Bank Loan and Notes Payable

From Our Own Correspondent

MONTREAL — Maritime Telegraph and Telephone Co.'s economies in operation last year resulted in a material improvement in the net revenue. At the same time the sale of a block of general mortgage bonds paid off bank loans and bills payable and generally strengthened the working capital position.

Telephones in service last year did not show an increase, installations at the end of 1933 totalling 37,868 compared with 39,040 at the close of 1932. Gross revenue aggregated $1,680,308, a decrease of $79,502. Three-fourths of the decline was in exchange service revenue and the balance in long-distance revenue.

Trend More Favorable

The loss in long distance revenue up to the end of July was $33,000. In the last five months of the year revenue from this source registered a gain over the same period of 1932, reducing the loss to $26,000 at the end of the year.

Telephone operating expenses were reduced by nearly $250,000. Consequently net earnings from operations totalled $522,383 compared with $888,680 in 1932. After payment of interest charges, dividends, etc., there was a small deficit of $8,556. In the previous year there was a deficit of $205,698 after all charges.

Particulars of the income account for the past two years follow:

	1933	1932
	$	$
Oper. Revenue	1,680,308	1,759,810
Less: Expenses	979,947	1,212,306
Net Revenue	700,361	547,504
Add: Misc. Rev.	3,041	3,094
Less: Bad Debts	13,131	11,808
Taxes	167,888	150,110
Net Earnings	522,383	388,680
Less: Rent, etc.	11,021	10,590
Bond Int.	152,860	140,000
Other Int.	35,244	41,421
Disc. on Sec.	11,568	10,455
Net Profit	312,190	186,214
Less: Dvds.	320,746	391,912
Deficit for Year	8,556	205,698
Add: Prev. Surplus	93,899	191,284
Trans. from Res.	......	115,000
Less: Adjustments	2,729	6,687
Carried Forward	82,614	93,889

Clear Up Obligations

At the end of 1933 the balance sheet showed assets totalling $10,871,039 compared with $10,814,259 a year ago. In the latter statement were bank loans from the Canadian Bank of Commerce of $372,739 and $300,000 of notes payable. The excess of current liabilities over current assets was $582,331. In order to clear up the bank loans and notes, the company issued $500,000 of general refunding bonds and with proceeds paid off the loans and notes, and reduced the working capital deficit to $63,777.

At present the funded debt totals $3,000,000, a gain of $500,000 over 1932. There has been no change in the issued preferred or common stocks.

Examination of the listed assets does not reveal any important change, except general equipment, the value of which has increased from $106,805 to $195,840. This is offset by a decrease in construction in progress from $204,929 to $61,543.

Lower Depreciation Charge

One reason for the marked betterment in the income account figures was the reduction in depreciation. In respect to this and other matters O. E. Smith, president, had the following to say, in part:

"A substantial proportion of the amount set aside for depreciation is to provide for inadequacy caused by continued growth. Your directors felt that at least a portion of the provision for inadequacy could be suspended during the period of decreasing business. An application was therefore made to the Board of Commissioners of Public Utilities, who acquiesced in the views of your directors, and permitted a reduction to be made in the amount set aside for depreciation during this period.

"For some time past your directors have been giving a great deal of consideration to the service rendered in small communities. By its very nature, such service cannot be of the same high standard as that given in the larger urban exchanges. The principal difficulty has been the lack of continuous service, most of these small offices being closed at nine o'clock in the evening. Your directors feel that it is the company's duty to supply continuous service wherever it is reasonably possible to do so; and to that end have been able by co-operation with the manufacturers to devise a type of automatic equipment which can be economically used in many of the smaller exchanges."

New Vice-President

SEVERE GODIN, JR.
Secretary to Sir Herbert Holt and director of Montreal Light, Heat and Power, who has been elected vice-president of the company.

MONTREAL POWER OUTPUT ADVANCES FOR CURRENT YEAR

Appreciable Gains Over Last Year Noted Since January 1

From Our Own Correspondent

MONTREAL—Weekly output of electric energy of Montreal Light, Heat and Power Consolidated since the beginning of the current year has shown substantial gains over the corresponding period of 1933.

In the week ended February 4, according to John S. Norris, president, the company's production was 13.56 per cent ahead of the same week last year. This was the sixteenth consecutive rise in the company's output for weekly periods.

For the last eleven weeks of 1933, which had witnessed a continued expansion in output, increases over the preceding year have ranged from 1.10 per cent to as much as 12.74 per cent.

During the week ended January 7, 1934, there was an increase over 1933 of 6.97 per cent; in the week ended January 14, a gain of 3.38 per cent; in the week ended January 21, 10.98 per cent; in the week ended January 28, 12.01 per cent; in the week ended February 4, 13.56 per cent; the net result of the first five weeks in 1934 being an increase in accumulative total of output of 9.33 per cent.

These figures cover output, less interchange and export of power.

Gas Output Improving

Montreal Power's gas production, while failing to make quite as good a showing as power, has nevertheless shown an improvement, with progressively smaller declines from comparative periods in the preceding year. In January, 1933, gas production was seven per cent below 1932, whereas for this year there is a decline of slightly over three per cent.

For last year total gas output was approximately 9.35 per cent below 1932, so that January figures on gas production would suggest that the improvement is not confined to power output.

B. C. TELEPHONE WOULD INCREASE CAPITAL STOCK

Wants Authorized Capital Raised to $25,000,000 — Is Opposed

From Our Own Correspondent

VANCOUVER. — Premier Pattullo has called for an investigation of the application of B. C. Telephone Co. for the right to increase capitalization which will come before the House of Commons during the present session.

British Columbia municipalities have asked the provincial Government to oppose the application on the ground that it will probably result, if granted, in an increasing of telephone rates. Premier Pattullo, without expressing an opinion on the merits of the company's case, has asked officials to assemble all the data bearing on the case so that it may be scrutinized by the provincial Government.

Preparing For Future

Officials of the B. C. Telephone Company here state that regardless of what action is taken at Ottawa, the company will probably not exercise its privilege for several years as no new development programme is contemplated at present. They point out that during the last few years the company has been obliged to make heavy capital expenditures and that in the event of additional expansion in the near future more capital will be required. It is not the intention to issue new stock for the time being anyway. They say that the B. C. Telephone Co. is merely seeking to do in a smaller way what the Bell Telephone Co. did in 1929 when it sought the right to increase its capitalization from $75,000,000 to $150,000,000. B. C. Telephone Co. seeks the right to increase its present capitalization of $10,000,000, to $25,000,000.

PATTULLO ASKS DOMINION TO BUY P. G. E. RAILWAY

Wants More Federal Aid, Subsidies, Public Works or Loans

From Our Own Correspondent

VANCOUVER.—British Columbia's case for better terms and for federal acquisition of the provincial Pacific Great Eastern Railway has been submitted to Ottawa. The matter was brought before the recent conference of premiers in Ottawa by Premier Pattullo, but Premier Bennett said that it would be more fitting for the federal cabinet to deal with it.

Premier Pattullo maintains that British Columbia has not received fair treatment from the federal administration in regard to financial assistance. He points out that while British Columbia ranks third in importance among the provinces, in an economic sense, this province has received less from Ottawa than any other province, with the exception of Prince Edward Island.

Claims Discrepancy

In a five-year period, Mr. Pattullo points out, British Columbia's contribution to the federal treasury in excise and duties totalled about $107,000,000, while subsidies to the province totalled only $3,690,000.

The argument favoring federal control of the Pacific Great Eastern is based on an agreement entered into between the province and the Grand Trunk Pacific specifying that the G. T. P. would divert traffic to the P. G. E. in the event of its construction. This, of course, was precluded by the consolidation with the Canadian Northern. It is also argued that the P. G. E. could be operated more economically as part of a national system.

The P. G. E. should be taken over on "a reasonable replacement basis," it is urged. There is no thought of the Federal Government shouldering the entire financial load of the railroad.

Not at all discouraged by the reception given to his various proposals at Premier Bennett's conference in Ottawa, Premier T. D. Pattullo has returned to the coast still insistent that what the country needs is a huge public works programme. He advocates at least $15,000,000 as British Columbia's share.

Apart altogether from this major programme of works, Premier Pattullo has asked the Federal Government for additional loans to finance construction of various kinds in this province. He is determined that if the province borrows, it must be at a lower rate than heretofore.

Expect Early Increase In Atlantic Passengers

While bookings to date have not indicated any great improvement in business for 1934 over 1933, steamship companies operating on the North Atlantic trade expect that an upturn will be experienced about the middle of the year. The fact that the exchange situation does not favor Americans and Canadians as it has done for the past few years is cited as the chief reason for restricted bookings.

Passenger travel last year showed a decided decline from 1932, according to figures of the companies included in the Atlantic Conference. Total carryings for all lines were 572,002, a reduction of 184,529. The 1933 figure is considerably less than half the record made in 1929. Canadian carryings in 1933 were 87,939 as compared with 117,327 in 1932 and 268,431 in 1929. Passengers carried by United States and Canadian lines during the past 7 years are shown in the following table:

Year	Canadian	U.S.	Total
1927	260,030	947,665	1,207,695
1928	273,898	953,149	1,227,047
1929	268,431	977,785	1,246,216
1930	222,082	946,102	1,168,184
1931	122,839	690,499	813,338
1932	117,327	639,204	756,531
1933	87,939	484,063	572,002

Canadian Marconi Stock Taken Off Curb Listing

From Our Own Correspondent

MONTREAL.—Shares of Canadian Marconi Co. have been removed from the Montreal Curb Market list. This stock was listed on the exchange last week on application by members of the exchange, but was withdrawn "as the company states that such application was made without its authorization."

OTTAWA TRAMS RETURN HIGHER FOR PAST YEAR

Lower Depreciation and Economies Help — No Dividends

From Our Own Correspondent

MONTREAL — Ottawa Electric Railway Co., controlled by Ottawa Traction Co., reports a slight gain in return on capital investment during 1933 compared with 1932.

Gross revenues last year were off slightly, but economies in operating expenses and a reduction in the depreciation charge from $263,859 to $149,481, enabled the company to show a return on capital of $188,502 compared with $186,114 in 1932. Bond and other interest charges were lower in 1933, with the result that a surplus of $41,814 was carried forward to the profit and loss account balance. This was just short of $10,000 more than in the previous year. No dividends were paid on the capital stock, practically all of which is held by the Ottawa Traction Co.

Larger Surplus Forward

Particulars of the income account follow:

	1933	1932
	$	$
Gross Revenue	1,281,036	1,466,662
Oper. Expenses	941,252	1,009,376
Net Revenue	339,784	457,286
Less: Deprec.	149,482	263,860
Income Tax	1,800	7,312
Return on Capital	188,502	186,114
Less: Interest	140,802	148,522
Bond Disc.	5,886	5,762
Surplus	41,814	31,830
Brought Forward	*441,366	420,857
Carried Forward	483,180	452,687

* Adjusted.

Reduction in Debt

At the end of last year the balance sheet showed assets of $7,185,101 compared with $7,718,494 at the close of 1932. This reduction is explained in part by a lowering of the funded debt from $2,705,700 to $2,587,600. Depletions were somewhat heavier during the year which caused the reserves to decline from $3,034,468 to $2,511,442, a factor which is noted in fixed assets, the value of which now stands at $6,581,433 compared with $6,880,489 in the previous year.

No change occurred in the issued capital, while the earned surplus shows an increase.

The principal change among assets has been the lower value on property account as mentioned. Cash and accounts receivable have declined from $549,955 to $401,680. Stores and other working capital items remain about the same.

Ottawa Traction Report

The report of Ottawa Traction Co., holding company, reveals few changes of any interest. No revenue was received by the company from its holdings of Ottawa Electric Railway stock.

Advances of $11,115 owing to the Ottawa Electric have been repaid. Funded debt has been reduced from $2,682,500 to $2,587,600. The company's holdings of Ottawa Electric bonds have declined to $2,587,600 from $2,705,700 due to the operation of the sinking fund.

AMAL. ELECTRIC OPERATING LOSS ON LOWER SCALE

Strong Working Capital Position Maintained Last Year

From Our Own Correspondent

MONTREAL—Amalgamated Electric Corp., control of which is understood to rest with Northern Electric Co., reported a loss on operations in 1933 of $57,537. This is a small improvement over the previous year, when the loss on operations totalled $67,398. The liquid position of the company continues to be exceptionally strong and as the president points out "the company is in a position to avail itself of any increase in business."

No dividends have been paid by the company on its preferred stock since January 15, 1931. This is the only fixed capital obligation of the company. An additional reserve for depreciation was set up last year, making a total deficit of $104,659. This compares with $177,340 in 1932, but the latter figure covers a write-off of $63,089 for inventories.

Deficit Totals $363,712

Particulars of the profit and loss account follow:

	1933	1932
	$	$
Operating Loss	57,537	67,398
Add: Depreciation	47,122	46,833
Inventory W.O.	......	63,089
Loss for Year	104,659	177,340
Previous Deficit	259,053	81,713
Deficit Forward	363,712	259,053

Liquid Position Strong

At the end of last year Amalgamated Electric's assets had a value of $1,151,228 compared with $1,259,100 at the close of 1932. Working capital position is a feature of the report, current assets amounting to $464,048 compared with current liabilities of $17,525.

Among liabilities, it is noted that 237 shares of preferred stock were redeemed during the year, bringing the outstanding issue down to $1,163,150. This stock was purchased at a discount, as evidenced by the setting up of a capital surplus of $9,704. There is no change in the issued common stock.

Investments at Market

No change of any consequence has taken place in current assets. Investments are shown on the books at $35,784 compared with $50,248 in 1932. In both cases the values approximate the market value.

Fixed assets have been reduced to $628,672 by the application of a further reserve for depreciation. At the end of 1932 plant and property was carried on the balance sheet at $677,416.

During the past year Charles Duncan, one of the directors of the company, died and his place on the board was taken by L. A. Johnson.

Northern Quebec Power Secures Additional Contract

From Our Own Correspondent

MONTREAL. — Northern Quebec Power Co., subsidiary of Canada Northern Power Corp., has signed a contract for a block of power to be delivered to the Greene-Stabell gold mine. This mine is in the Siscoe area and has reached the production stage.

Northern Quebec Power is now rushing construction of its power transmission line from Noranda substation through the Cadillac and Siscoe districts. It is expected that the line will be ready to deliver power by mid-summer.

CELANESE DEFENDS POSITION AT OTTAWA

Cameron Answers Charges of R. P. Sparks Before Tariff Board

From Our Own Correspondent

MONTREAL.—Canadian Celanese's relations with the Canadian trade were defended by W. McM. Cameron, vice-president of the company, at the resumption of the hearing before the Tariff Board on the application of R. P. Sparks, of Ottawa, for a lowering of the tariff on imports of acetate cellulose yarns. At a previous hearing, the company was strongly attacked by Mr. Sparks who complained that the company would not furnish manufacturers with its yarns.

In defense of Canadian Celanese, Mr. Cameron said that despite persistent efforts on the part of his company to stimulate an interest in the manufacture of artificial silk by the real silk mills of Canada, the response of these latter factories was tardy. When finally the manufacturers of real silk did transfer their operations to the artificial variety, Canadian Celanese was making only enough yarn to supply its own needs and thus could not fill the orders of the other concerns.

Return on Investment

At the same time the price at which Canadian Celanese could have sold acetate cellulose yarns was so high that Grout's Mills and Bruck Silk Mills and Louis Roussell Co. were obliged to import their raw material from Europe.

With an investment of $9,000,000 in Canadian Celanese, Mr. Cameron explained, it was impossible to sell the yarns to the other Canadian companies at a price which would be competitive and at the same time return a reasonable profit on investment.

At the last session of the board, the existence of a cartel, arranged between British Celanese, of Great Yarmouth, England, and the Canadian company, was alleged; but W. F. Wilson, for the Canadian company denied the charge, stating that the only arrangement was one affecting patent rights. No mention of this was made by Mr. Cameron.

Montreal Power Officers Re-elected at Meeting

From Our Own Correspondent

MONTREAL. — Severe Godin, Jr., associated with Montreal Light, Heat and Power Consold. since 1905, has been elected vice-president of the company. For many years he has acted as private secretary to Sir Herbert Holt and in 1931 was elected a director of the company.

Officers of the company are as follows: Sir Herbert S. Holt, chairman; John S. Norris, president; G. H. Montgomery, K.C., vice-president; C. S. Bagg, vice-president and general manager; S. Godin, Jr., vice-president; G. R. Whatley, secretary; C. C. Parkes, assistant secretary; P. C. Drake, treasurer; and A. N. Sainte-Marie, assistant treasurer.

Telegraph Firms Adjust Wage Schedule for 1934

From Our Own Correspondent

MONTREAL. — Employees of the Canadian Pacific and Canadian National Telegraph companies have agreed to a reduction of five per cent in the basic wage rate. This is in addition to the 10 per cent reduction already in effect. Under the agreement, the reduction will amount to only 10 per cent after November 1, 1934, unless either party after September 1 serves 30 days notice of a desire to change the percentage.

GASOLINE PRICE IS SET BY TAXES AND CRUDE COSTS

Imperial Oil Review Says Government Exactions Keep Prices High

First inside page of the January-February number of The Imperial Oil Review carries charts showing the division of costs above the cost of crude oil from 1920 to 1932 inclusive. These charts show the manufacturing expense per gallon to have dropped from 20.5 cents in 1920 to 6½ cents in 1932 and the wholesale distribution expense to have dropped from 8½ cents to 6½ cents a gallon. The total decline in these two main elements of cost controllable by the oil companies themselves has therefore been from 29 cents a gallon in 1920 to 13 cents a gallon in 1932 and it is still lower today.

These charts show that a new and uncontrollable element entered into the prices charged to the consumer in 1924 when provincial gasoline taxes began first to be charged. It was a small cloud on the cost horizon at first, adding only half a cent a gallon to the average price to Canadian consumers but it grew speedily in succeeding years to one cent, two cents, three cents, four cents and 5 cents a gallon on the average over the whole Dominion.

Two Uncontrollables Cited

The contention of the oil companies, as supported by these charts compiled from Dominion Bureau of Statistics reports, is that these provincial taxes have continuously deprived the Canadian consumer of the benefit of reduced manufacturing and distributing costs since 1924. The reduction in costs as shown by these charts from 1924 to 1932 inclusive would be about 6¼ cents a gallon.

The cost of gasoline to the consumer in 1932 was about the same as in 1925 because of the gasoline tax while the spread between the price of crude oil and the wholesale price of gasoline was only 13.3 cents a gallon in 1932 and 16.7 cents in 1925. A footnote to the series of charts says:

"A significant fact which is established by this chart is that the cost of gasoline to the consumer is controlled by the producer of crude oil on the one hand and by the taxing bodies on the other."

Quebec Power Directors Elected at Annual Meeting

From Our Own Correspondent

MONTREAL.—Quebec Power Co.'s annual meeting was a routine affair. The following officers and directors were re-elected: President, J. C. Smith; vice-president, Howard Murray; treasurer, W. S. Hart; secretary, James Wilson; general manager, J. E. Tanguay.

Directors: J. H. Fortier, Hon. D. O. L'Esperance, Hon. Georges Parent, A. C. Picard, Col. J. H. Price, J. T. Ross, J. S. Royer, J. E. Tanguay and C. E. Taschereau, of Quebec, and J. C. Smith, Hon. J. P. B. Casgrain, W. S. Hart, Dr. M. L. Hersey, Howard Murray, Hon. L. C. Webster and James Wilson, of Montreal.

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Total output of hydro-electric power in 1933 was 9.7% higher than the total for 1932. A steady increase has been recorded each month since April of last year, with December's total the largest ever produced in the Dominion.

Production of electricity is a reliable indicator of business conditions, and the recent higher trend forecasts a time, perhaps not far distant, when increased industrial demand will necessitate additional power installations.

We believe the securities of established Light and Power Companies represent one of the safest forms of investment, and recommend:

Security	Rate %	Maturity	Approx. Yield %
British Columbia Power Corp.	5½	1960	5.54
Canada Northern Power Corp.	5	1953	5.78
Gatineau Power Company	5	1956	6.20
Ottawa Valley Power Company	5½	1970	5.37
Maclaren-Quebec Power Co.	5½	1961	5.98
Montreal Light, Heat & Power	5	1951	4.35
Shawinigan Water & Power Co.	5	1970	5.65
Southern Canada Power Co.	5	1955	4.92

Full information regarding any of these issues will be sent upon request

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INTERNATIONAL TRUCKS

News of Investment Markets

GOODYEAR TIRE EARNINGS WENT UP $527,857 IN 1933

Company's Statement Impressive Demonstration of Financial Strength

The Goodyear Tire & Rubber Co. consolidated financial statement for 1933 is quite in line with its predecessors during the depression by again making a remarkable demonstration of earning ability and financial strength. Its net earnings after income tax, but before depreciation, advanced from $1,463,653 to $1,991,510, and after deduction of preferred dividends and income tax net profits were equivalent to $6.86 a share on 128,630 no par value common shares outstanding as compared with $1.62 a share earned in 1932 and $8.24 in the preceding 15 months.

Consolidated Income and Surplus Account Year End. Dec. 31

	1933 $	1932 $
Profit for year†	1,991,510	1,463,653
Less: Depreciation	614,034	745,900
Net profit	1,377,476	717,753
Less appropriations:		
Preferred dividend	507,547	509,744
Common dividend	360,164	643,150
Surplus for period	509,765	*435,141
Add: Previous surplus	7,230,422	7,665,563
Balance carried for'd.	7,740,187	7,230,422

† After deducting income tax.

Taxation Leaping Upward

C. H. Carlisle, president, pointed out in his remarks to shareholders that taxation as an uncontrollable item of expense to the company was becoming an increasing problem, taxes in 1933 amounting to 11.37 per cent of the net factory cost of goods. The company had also faced the fact of increasing prices for raw materials, but had maintained selling prices of finished products practically unaltered. Spot price of crude rubber increased during the year by 178 per cent and of basic raw cotton (⅞ inch middling upland) by 70 per cent. The company was able to keep prices down because it came into the year with quantities of rubber and cotton below average prices for the year. It has also entered 1934 with inventories obtained below current market prices.

Finding signs of a gradual but sure improvement in store for Canada, Mr. Carlisle believes there will be an increase in the unit volume of sales of rubber products not only in Canada but elsewhere. Accrued profits of about $200,000 on export business are not included because exact total was not known.

Liquids Gain

Increases in liquid assets are shown by the working capital account:

	1933 $	1932 $
Current assets	10,684,765	10,337,927
Current liabilities	496,704	276,074
Working capital	10,188,061	10,061,853
Ratio	21.51—1	37.45—1

The current assets increase resulted mainly from the net result of the following changes: cash up from $684,544 to $1,203,104; call loans and government bonds down $5,873,489 to $5,740,510; accounts receivable, less reserve, up from $1,380,122 to $1,467,580; inventories at cost or market down from $2,399,772 to $2,273,570.

Current liabilities increase results from the following main changes: current accounts payable up from $198,732 to $285,102; and reserve for income and other taxes up from $77,342 to $211,603.

The company's balance sheet shows outstanding Goodyear Cotton Co. bonds of $769,000 which have since been redeemed, and succeeding balance sheets will therefore show no funded debt at all.

Equities in Tangibles

The $7,247,300 of 7 per cent cumulative preferred stock outstanding is more than covered by net current assets, less funded debt since paid, of $9,418,061. The 128,630 common shares outstanding have an equity of $16.88 in the remaining net current assets, $1.60 a share in $205,797 of miscellaneous stocks and bonds, and $46 a share in depreciated values of real estate, buildings, plant, machinery and equipment, or $64.48 a share in all. The depreciation reserve on fixed assets exceeds 50 per cent.

Ottawa Power Profits Well Maintained in 1933

From Our Own Correspondent

MONTREAL. — Ottawa Light, Heat and Power Co.'s gross earnings in 1933 were on a slightly lower scale than was the case in 1932, but the drop in income was more than offset by reduced operating expenses. It is expected that the financial statement will show bond interest and dividends on the preferred stock covered more than 2½ times in each case. The balance available for the common stock will be almost sufficient to cover the regular dividend, it being necessary to draw upon a surplus for a relatively small amount.

Operations during the latter months of the year showed steady improvement, as a result of operating economies and improved operating conditions. These are expected to be more fully expressed in increased earning power during the first quarter of 1934, when the company will have greater benefit from the intensive expense reducing efforts put into effect by the management.

An interesting feature in connection with the forthcoming financial statement will not only be a strengthened net cash position, but by changes effected through reserve items there was permitted a considerable write-off through surplus of items applicable to prior years, and other sums. The result is a general strengthening of balance sheet position, including building up of cash resources and the further strengthening of depreciation reserve.

During the year the company retired a total par value of $775,000 of maturing bonds of its operating companies, completing a refunding operation therefor, so that it now has no maturing bonds or debts to provide for until 1957.

FALCONBRIDGE NICKEL EARNS 34c PER SHARE

Working Capital Up — Ore Reserves Not Increased

With a slight decline in metal sales during 1933, Falconbridge Nickel Mines Ltd. showed increase in gross profit which, at $1,504,172, compares with $1,086,243 in 1932. After increased provision for taxes and depreciation, the company earned 34 cents per share on the 3,278,705 shares issued and outstanding as compared with 24 cents per share on 3,195,055 shares in 1932. Dividends paid at 25 cents per share totalled $812,610 and the company carried forward a surplus of $642,898.

The income and surplus account of the company for the past two years is as follows:

Income and Surplus Account Years Ended December 31

	1933 $	1932 $
Metal sales	2,979,520	2,990,541
Less: Selling, deliv. & exchange	171,191	202,623
Inventory dec.	......	553,478
Add. Invent. inc.	368,273	......
Income from oper.	3,176,602	2,234,445
Less: Mng., smelt. & ref.	1,675,536	1,115,482
Admin. expense	64,701	55,201
Oper. profit	1,436,365	1,063,762
Non-oper. income	67,807	22,481
Gross profit	1,504,172	1,086,243
Less: Taxes	130,593	71,864
Def. develop. w/o	69,752	40,436
Depreciation	312,646	211,523
Add: Profit on sale of secs.	131,818	......
Net profit	1,122,999	762,420
Less: Dividends	812,610	......
Surplus for year	310,389	762,420
Prev. surplus	332,509	*252,641
Incor. exp. w/o	......	2,270
Comm. on shs. w/o	......	175,000
Surplus	642,898	332,509

*Deficit.

During 1933 an additional $658,098 was spent on additions to plant and equipment and in increasing broken ore reserves at the mine. Working capital, however, was increased to $1,954,718 from $1,799,227. Cash was reduced to $513,812 from $1,137,027 but securities, at cost, were increased to $600,676 from $362,301. Market value of securities at December 31, 1933, is stated at $840,000. Inventory of refined metal and matte is up to $746,719 from $378,446.

According to J. G. Hardy, consulting engineer, "Work underground in 1933 was chiefly that of adjustment to a volume almost double that of the previous year. Partly for this reason, and partly because there existed an ample ore-supply anyway, the extent of development in new ground during the year was allowed to lag. This resulted in less new ore being added to the reserves than in 1932, and in a slight decrease in total ore-reserves at the end of the year. But after all this was a minor matter. What was of importance in the year's work was the successful bringing of the ore mined and treated to the approximate grade of the reserves, thus doing away with the somewhat selective treatment of previous years, when high-silica ore had to be placed on dump. This of course, was made possible by the new concentrator and allied equipment. The significant figures of accomplishment during the year, as compared with 1932, are the following:

	1933	1932
Tons ore broken	430,645	247,004
Tons ore hoisted	267,573	159,573
Tons broken-ore res.	408,780	227,321
Tons new ore develop.	160,000	314,648
Tons total ore-reserves	2,817,884	2,920,457
Grade of reserves % nickel	2.23	2.25
Grade of reserves % copper	.93	.93

"Actual output of the refinery was 7,468,320 lbs. of nickel and 3,282,113 lbs. of copper for the account of Falconbridge. Added to this the toll business for a Norwegian customer, which came to 1,719,823 lbs. nickel and 1,471,459 lbs. copper. This gave a total actual output for the refinery of 4,594 short tons refined nickel and 2,376 short tons of electrolytic copper. By the end of the year, however, the output had reached the rate of 6,000 short tons of refined nickel and 3,000 tons of copper cathodes annually. For 1934 the toll demands for refining will rise to 1,000 long tons nickel annually, thus leaving 4,900 short tons of nickel refining capacity available for Falconbridge use. Here again the pressure of market demands caused the originally planned capacity to be exceeded."

Investment Notes

Significant Investors' Index Numbers

1926 — 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities:	17	6	4	4	10	18	8	87	20	113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	86.8	1.4	24.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
Weekly Figures, 1934:										
Feb. 1	106.8	11.8	75.4	153.6	68.5	131.3	186.7	124.4	56.7	92.1
Feb. 8	112.6	13.1	75.8	162.9	68.0	133.2	176.3	124.3	58.2	93.1

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator in page one.

Rowntree Bonds

RUMOR current recently that the Rowntree Co. of Toronto had purchased the Walter J. Lowney Co., Toronto, is denied by officials of the former company. Both organizations are in the chocolate and confection business.

The Rowntree Co. has outstanding a six per cent first mortgage bond issue, due 1937, of which $198,000 has been drawn by lot and called for redemption at 101½ on Feb. 21, 1934.

B. A. Oil Statement Good

AT THE 27th annual general meeting of the shareholders of the British American Oil Company in the King Edward Hotel on February 22 at 3 p.m. it is confidently expected that the report of the directors will show operations of the company for 1933 to have covered the dividend of 80 cents a share with a good margin.

J. C. Millar, treasurer, accompanied January dividend cheques recently with a statement that officials believe the forthcoming statement will be satisfactory to shareholders.

Bank loans, which at the end of 1931 stood at $3,750,000 and at the end of 1932 at $3,000,000, are expected to be shown as still further reduced at the end of 1933.

Imperial Tobacco

IMPERIAL Tobacco Co. of Canada common stock passed $13 a share this week and established a new all-time record. During the last bull market the stock ranged as high as 11½, but never got over $12 a share. No particular reason can be found for the present advance. There is practically no speculative interest in the company's securities; buying has always been for investment account. The figures on tobacco consumption, as released by the Dominion Government, indicate that sales in 1933 were very satisfactory. While certain types of cigarette products were consumed in larger quantities last year as compared with 1932, there is no particular reason for believing that Imperial Tobacco's income account will show any large increase in earnings for 1933. The regular dividend should be covered by an ample margin, while the balance will be sufficient to take care of the usual "final" dividend declared by the company.

* * *

Steel of Canada

COMMON stock of Steel Co. of Canada has shown considerable strength on the Montreal Stock Exchange in the last few weeks and the current level of 35 is the highest reported in several years. This is equivalent to 140 on the old stock, which, it will be recalled, was split four for one. While operations last year are reported to have shown some improvement, expectations are that the income account will not show the common dividend earned. Prospects for the company, on the other hand, are regarded as distinctly favorable and some of the recent buying may be on that account. There are rumors that the buying has come from the United States, but little credence is given to that report at this time.

Consolidated Industries Sold to Rogers Majestic

Shareholders of Consolidated Industries Ltd. have agreed to the sale of assets of the company to Rogers-Majestic Corp. and have been offered one share of stock of the latter company for each ten shares of Consolidated Industries Ltd. stock held. Ordinary creditors of Consolidated Industries Ltd. have agreed to accept 20 cents on the dollar

It is understood that the Rogers-Majestic Corp. shares were issued by that company for cash and that the offer to Consolidated Industries Ltd. shareholders comes from Major J. E. Hahn, founder of the latter company.

LANDED BANKING LIQUID RATIO UP EARNED 6.54 P.C.

Contingency Reserve Increased by $100,000 — Deposits Down

Landed Banking & Loan Co., Hamilton, Ont., had net profit of $75,488 in 1933 as compared with $88,831 in 1932. After deducting reserve for taxes, the company earned 6.54 per cent on paid-up capital of $1,000,000 as against 7.88 per cent in 1932. Reserve fund has been reduced to $850,000 with the transfer of $100,000 to reserve for contingencies which now stands at $104,061 after use of $11,823 to pay off charges on some of the company's mortgages and real estate.

There is some decrease in liabilities to the public which total $1,921,408. Deposits are down to $1,273,505 from $1,345,043; currency debentures are down to $586,725 from $632,685, while sterling debentures are up to $44,189 from $22,971.

Ratio of liquid securities to deposit liabilities has been increased to 31 per cent from 27 per cent shown at the end of 1932. Cash is up to $66,352 from $40,635; municipal bonds are up to $104,721 from $95,855; Dominion of Canada bonds are slightly higher at $180,074; provincial guaranteed bonds are practically unchanged at $49,965. Investment of $63,689 in other bonds, shown in 1932, no longer appears. Mortgages and agreements for sale are down to $3,101,625 from $3,195,857; interest due and accrued is up to $147,145 from $136,072 while real estate held for sale is up to $146,640 from $139,184. Premises remain at $84,000.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928	1,000,000	120,269	10	12.03
1929	1,000,000	105,811	10	10.58
1930	1,000,000	91,635	10	9.16
1931	1,000,000	92,202	8	9.22
1932	1,000,000	78,792	8	7.87
1933	1,000,000	65,415	6	6.54

*After deducting interest, expenses and charges, and making provision for possible losses and contingencies and reserve for taxes.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	4,507,651	1,180,000	2,272,364
1929	4,370,805	1,180,000	2,144,206
1930	4,295,680	1,038,734	2,219,212
1931	4,260,170	1,025,535	2,189,699
1932	4,016,048	965,884	2,016,436
1933	3,909,612	954,061	1,921,407

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Goodyear Cotton	6%	1949	Mar. 1	103
Amer. Salesbook	†6%	1939	Apr. 1	103¼
Pac. Manifolding Book	6½%	1937	Apr. 1	103¼

†$30,000.

GEO. WESTON, LTD., DOUBLES DIVIDEND AS EARNINGS JUMP

Shareholders Consent to Proposal For Splitting Stock 2 For 1

Against a background of comparatively depressed conditions in the biscuit industry generally, George Weston Ltd., in 1933 increased profits nearly two and a half times those made in 1932, thereby permitting splitting of the stock two for one and doubling of common dividends. Net operating profit, as shown in the consolidated income and surplus account for 1933 at $342,174, compares with $137,322 in 1932. In other words, net profit was equivalent to $2.58 a share after all deductions including tax provision and preferred dividends on the 87,068 shares outstanding at the end of 1933. This compares with $1.09 a share earned on the 50,000 shares of no par value common stock in 1932.

The operating profit after depreciation but before various taxes, was $490,949. The taxes amounted to about $200,000 in addition to a reserve for income tax of $51,873. Preferred dividends were earned more than four times.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT, YEARS ENDED DEC. 31

	1933 $	1932 $
Net operating profit	342,174	137,322
Less:		
Res. for inc. tax and adj.	51,873	15,394
Net profit	290,301	121,928
Less appropriations:		
Preferred dividends	67,347	67,347
Common dividends	65,906	50,000
Surplus for year	157,048	4,581
Add:		
Previous surplus	*370,831	282,085
Sale of com. shs. Geo. Weston	125,000	......
Less:		
Addit. taxes prior years	......	1,442
Bal. car. for.	652,879	285,224

* Including surplus of U. S. subsidiary acquired in year.

Bought British Plant

W. Garfield Weston, president, attributes these fine results to the increased volume of business of the company as well as the continuance of the most economical operation consistent with efficiency. He stated that the company in 1933 had had numerous opportunities to expand into new markets at very low expense for plant, equipment and goodwill. After full consideration, the directors decided to purchase the business of Mitchell and Muil, Ltd., of Aberdeen, Scotland, an enterprise established 80 years ago. This purchase was carried out on terms highly favorable to the company, which owns all of the common stock of this subsidiary. It has been profitable to date.

The special general meeting called to deal with the proposal to exchange two new common shares for each existing share was held just before the general meeting and agreed to the proposal. The decision to make the change, Mr. Weston said, will not involve any alteration in the amount of capital represented by the common stock.

Working Capital Jumps

The working capital account shows an extraordinary change for the better partly as a result of the success of the management in selling shares on favorable terms and partly on an excellent improvement in operating results of Weston's Biscuit Company in the United States, of which nearly entire control is now held in Canada. The table is as follows:

WORKING CAPITAL

	1933 $	1932 $
Current assets	1,445,332	613,153
Current liabilities	285,109	182,576
Working capital	1,160,223	430,577
Ratio	5.06—1	3.36—1

Details of Liquid Advances

Details of the large improvement in current assets are as follows: cash increasing from $33,536 in 1932 to $463,934 at the end of 1933, accounts receivable after reserve growing from $300,300 to $618,868 and inventories going up from $279,317 to $362,531.

Current liabilities show the following increases: accounts payable up from $154,682 to $213,382; dividend due on George Weston Company securities up from $12,500 in 1932 to $21,633 at the end of 1933; and provision for taxes up from $15,393 in 1932 to $50,094 in 1933.

Tangibles Behind Securities

Various securities in the hands of the public are shown by this consolidated balance sheet to have behind them the following tangible assets:

$891,900 of 7 per cent cumulative redeemable preferred stock of $100 par value of George Weston, Ltd., is covered by $968,464 of net current assets left after deduction of $73,259 in contingent and other reserves and $118,500 for deferred liabilities on the 10 year 7 per cent gold note due February 1, 1941, issued by Weston Biscuit Co., Ltd.;

86,518 no par value common shares outstanding of George Weston, Ltd., valued on the balance sheet at $1,939,703, have an equity in various assets of the company to the following extent: $76,564, or 88c. a share, in net current assets; $1,417,110 in depreciated value of land, buildings, plants and equipment, or $16.38 a share; and $632,002 in cost of investments of the company in controlled and related companies or $7.20 a share, making $24.46 a share in all.

Other securities in the hands of the public are apparently comparatively negligible, being $54,900 of 7% cumulative preferred shares of William Paterson, Ltd., and 1,524 and 4/25th shares of Weston Biscuit Co. Ltd., no par value still in the hands of public and subject to exchange.

In a note to the balance sheet the company shows the customers' trade paper discounted at $95,451 and a guarantee of $60,000 of advances to a controlled company.

Railway Earnings

Canadian National Railways

	1933 $	1932 $	Decrease $
December			
Gr. rev.	12,353,497	11,913,681	°439,816
Op. exp.	11,644,371	12,049,403	405,032
Net rev.	709,126	*136,722	°844,848
Twelve Months Ended Dec. 31:			
Gr. rev.	148,519,742	161,103,594	12,583,852
Op. exp.	142,812,559	155,208,160	12,395,601
Net rev.	5,707,183	5,895,434	188,251

* Deficit. ° Increase.

Established 1869

Strength• Stability•

Assurances in Force (Dec. 31, 1933) $518,521,336. Assets $138,912,508.00. Surplus Funds and Contingency Reserves, $11,917,520.04.

A Purely Mutual Company

Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.

THE MUTUAL LIFE Assurance Company OF CANADA

HEAD OFFICE - WATERLOO, ONT.

Dominion Life New Business Well Maintained

Provision of $328,000 for depreciation of securities and a further addition to investment reserve of $125,000 was reported by Dominion Life Assurance Co. in its 45th annual report presented to shareholders last week. Investment reserve now stands at $325,000 against $200,000 a year ago, while free surplus is $400,000—a decline of $143,000 from 1932.

New business issued during 1933 was maintained within $500,000 of the 1932 figure at $21,000,000, while total business in force is but slightly lower than a year ago at $145,000,000. Premium income showed little change from 1932, while income received from interest and rents was higher at $1,671,000. Total payments to policyholders and beneficiaries was over $3,400,000, of which $655,000 was paid in dividends to policyholders.

New Business	1933 $	1932 $
New Ins. Issued*	21,133,927	21,630,781
Bus. in Force	145,117,527	147,721,473
Income and Disbursement		
Prem. Income	4,526,182	4,533,600
Interest, Rents, etc.	1,671,925	1,563,795
Total Income	6,198,107	6,097,395
Policy Payments:		
Death Claims	884,462	837,970
Surrender Values	1,655,445	1,640,748
Policy Dividends	654,864	693,219
Excess†	1,111,730	669,534
Assets and Liabilities		
Net Ledger Assets	24,472,871	24,004,543
Mtge. and Sale Agreements	12,403,180	12,537,763
Bonds	5,274,702	5,391,724
Policy Loans	4,702,235	4,480,138
Policy Reserves	21,977,690	21,085,822
Inv. Reserve	325,000	200,000
Free Surplus	400,375	543,372

* Including revivals and bonus additions.
† Of income over disbursements.

Extra Support... Extra Sales

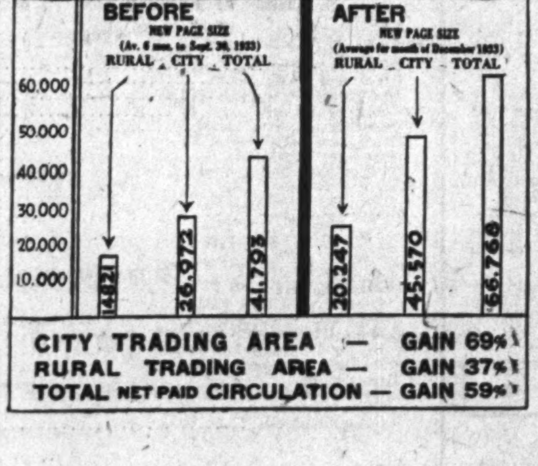
When you give your advertising campaign the added strength of extra, low-cost messages reaching more than 60,000 French Canadian homes every week-end. This you can do in the strong selling medium afforded by the new tabloid size page of **La Patrie,** Canada's Dynamic French Newspaper!

Add to the coverage of Montreal's largest French paper the circulation of La Patrie's Saturday edition and you drive an **extra,** powerful message to families whose standard of living is good, whose wants are considerable and whose means are adequate. In this trading area there is a market of well over one million, four hundred thousand consumers—604,000 French Canadians on the Island of Montreal, 818,000 additional persons in the district market dominated by Montreal.

One Million and four hundred thousand population.

The alert interest of these people in La Patrie and its new tabloid size is amply evidenced — in less than three months after the change from the standard newspaper to the handy 80-inch page, the circulation of La Patrie's Saturday edition increased 59%—as may be seen by the demonstration chart below.

The new page size not only increases reader **interest** —it increases the attention value of the advertising, too. Your advertisement must compete for interest with all other advertisements on the page — but in the handy size page of La Patrie that competition is cut down and your message is closer to all the live news on the page.



Let us figure with you or your agency just how big a job this smaller size page and larger circulation can do for you. For complete details write or

Telephone LA. 3121

La Patrie

· CANADA'S DYNAMIC FRENCH NEWSPAPER ·

Sun Life Assurance Company of Canada

THE report of the Company for 1933 is one of consistent and constructive progress. Its achievements enhance the impressive record of public service it has rendered during the sixty-three years of its existence.

In 1933, as in the preceding three years, people generally experienced exceptional anxiety, the result of incomes being either impaired or entirely cut off. At such a time the unfailing aid and security of life insurance proved of very great value.

In this service the Sun Life Company bore a worthy share. During the year it paid out (exclusive of policy loans) nearly $100,000,000 to policyholders and beneficiaries. Similarly, during the four years of depression it has paid out over $380,000,000.

Notwithstanding these substantial payments, the Company, during the same four-year period, increased its assets by $55,000,000—its insurances in force by over $307,000,000.

Sixty-third Annual Report—1933

ASSURANCES IN FORCE, December 31, 1933 . . . . . $2,770,453,871
This large amount, the accumulating estates of nearly a million Sun Life policyholders, will become payable to them or their dependents during this generation—a stabilizing factor of great social and economic value.
NEW ASSURANCES PAID FOR 216,567,441

INCOME 152,235,821
DISBURSEMENTS 127,505,801
EXCESS OF INCOME OVER DISBURSEMENTS 24,730,020

PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES:
During the year 1933 97,457,059
Since Organization 800,170,033

ASSETS 624,146,035
Bonds: government, municipal, public utility and others; stocks, preferred and common; loans on mortgages; real estate; loans on Company policies; cash in banks, and other assets.
LIABILITIES 609,965,832
Almost nine-tenths of this sum represents the policy reserve—the amount set aside to guarantee all policy payments as they become due.
PAID-UP CAPITAL ($2,000,000) and balance at credit of shareholders' account . $3,342,547
RESERVE for depreciation—in mortgages and real estate 4,885,904
SURPLUS 5,951,752
$14,180,203

The valuation of bonds and stocks has been made on the basis prescribed for all companies by the Insurance Department of the Dominion of Canada and in conformity with the basis authorized by the Departments of Insurance of the various provinces of Canada. Policy liabilities have been valued by the full net level premium method, a standard more exacting than required under the stringent provisions of the Dominion Insurance Act.

Sun Life Assurance Company of Canada

The Financial Post

Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of Any Canadian Financial Paper.

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. inspection.

ADVERTISING RATES

Single Insertion—$3.65 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

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DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS. Yearly, $10.

TORONTO, FEBRUARY 17, 1934

LARGE SCALE MERCHANDISING GOES ON TRIAL

THE efficiency of modern merchandising methods will be called in question before the Stevens enquiry at Ottawa. Implicit in the terms of the parliamentary committee's reference is an indictment of the large department stores of Canada and in smaller measure the chain food stores.

An indictment, of course, is never a verdict. It is easy to list the alleged social and economic crimes of large scale merchandisers. It may prove as easy for them to defend themselves.

The indictment implies the following allegations, as yet entirely unproven, against our larger retail organizations:

> That they have grown so large and powerful that they have driven out much independent competition from smaller merchants and unfavorably influenced the social life of Canada, particularly of the smaller communities;
>
> That in their expansion they have grown beyond the point where their size and reputed efficiency have enabled them to effect lower distribution costs;
>
> That, in fact, they have reached the point where their operations are unwieldy and cumbersome; where many unprofitable units have been established, whose losses must be borne by the profitable ones; where their costs and therefore their "mark-ups" for merchandise have been widening instead of contracting;
>
> That to meet competition and carry unprofitable ventures, they have to get a wider margin either by increasing selling prices or by using their "mass buying" power to force manufacturers to sell to them at lower figures; and that as competition makes a rise in price difficult they have to take their profits chiefly out of the hides of the manufacturers and the workers;
>
> That as a result of their "ruthless" buying methods they are the primary cause of "sweat shops," which are undermining our social structure, while no adequate protection for our Canadian standards of living can be provided by the tariff because they play one manufacturer against another at home.

This, in broad outline, is the case which some groups will try to make before the parliamentary committee. It will be apparent to even the casual reader that there are some obvious inconsistencies within the indictment itself. It argues, for example, that manufacturers would rather run at a loss and workers "sweat" for meagre wages than refuse orders at inadequate prices. And it makes no allowance for the nemesis that is certain to overtake these huge merchandising organizations if they have developed internal weaknesses as great as those referred to. If they have reached the point where they no longer contribute steadily increasing efficiency to distribution methods, then economic forces will soon cause them to disintegrate and the whole problem will solve itself.

The indictment has been rendered, the evidence will be produced and the defendants will reply. Whatever the verdict, the trial will be a merchandising "cause célebré" which will attract attention from every quarter of the globe.

An interested spectator will be the consumer, perhaps typified by a bargain-hunting housewife. In the end, she may render the final judgment.

NO NEED FOR HASTE IN REVALUING GOLD

NOW that the United States has revalued gold and devalued the dollar officially it has virtually gone back to the gold standard again although there is no assurance that it will not again shift its base in relation to that monetary standard. The reconciliation between the price of gold in the United States, the foreign exchange value of the American dollar and the internal level of prices is not yet precise. The United States will have to experience a rapid rise in prices or its dollar will continue to be undervalued in world markets.

Great Britain, canny as usual in financial matters, is letting natural forces work out a new exchange parity between the pound and the dollar and is not being drawn into any definite promises of stabilization between London and New York. There is a general feeling in London that the British pound is overvalued in present exchange quotations and certainly any calculations that can be made on the basis of comparative price levels prove the soundness of this contention.

There is general discussion in Canada as to the possible devaluation of our dollar. Since Washington has set a new gold content for the American dollar it is contended that Canada should immediately follow suit. But the possible benefits of such a step have been exaggerated. Canada is not on the gold standard, there is no free purchase or sale of gold by the treasury and for that reason, fixing a new gold content for a dollar that in any event is not exchangeable for gold would be a meaningless gesture. What counts today is not the theoretical number of grains in our dollar but what it will bring in terms of some foreign currency, say the American dollar, and on that basis our dollar is already devalued de facto.

Eventually the British pound and the American dollar will find some stable level in exchange markets and possibly some relative stability in purchasing power in domestic markets. At that time the two countries, by fixing the gold contents of their currencies, will automatically create a new and permanent relationship or exchange quotation between their two monetary units. Then Canada will have to make its decision as to what the gold content of our currency ought to be. Since we cannot forecast today what the American dollar will ultimately be worth or what the pound sterling will ultimately be worth we are in no position to fix a value for our own dollar. New York is only one influence on our dollar; London is equally important.

The logic of the situation bars out the possibility of any definite devaluation action by Canada at this session of Parliament. That will be one of the problems for the new Central Bank of Canada to deal with.

MANAGEMENT MOST IMPORTANT IN CENTRAL BANK

IN NO small degree the financial future of Canada depends upon the type of direction given to the new Central Bank of Canada. The technical set-up of the bank, as conceived in the legislation to be finally passed, and the character of its powers will be important but direction and management will be even more important.

By policies implying a certain emphasis the Central Bank could so strengthen our financial tie with New York that our economic and therefore our political policies could be largely influenced from Wall Street. We have been much under the influence of American capital and would be much more so today were it not for the fact that, when New York's financial community got the jitters with the oncoming of the economic crisis, those banking interests who had been very persistent in forcing money on our provinces, municipalities and corporations suddenly and determinedly refused to lend us another cent. Just to what extent the bond between American finance and Canadian finance has been weakened by the failure of Wall Street to follow through in the time of crisis will not be known until more normal conditions prevail. But the Central Bank heads will have to work closely with New York in any event.

Similarly by emphasis upon certain other policies the Central Bank could link us more closely to London financial markets and British monetary policy than we have been linked since before the war. The bank could easily put Canada on the sterling standard. It is no more desirable that Canada should be under the thumb of London than under the thumb of New York.

In addition to sound technical management the bank requires direction by those who understand Canada's domestic problems and her peculiar relationship to the two greatest financial markets—London and New York.

The governor and directors of the Central Bank should be Canadians, steeped in Canadian traditions. Technical assistance from outside may be needed in the early stages and the importation of paid officials from New York, London or even Paris need not be frowned upon. But Canadians would be disappointed if the first governor of the bank were an American, an Englishman or anyone other than a Canadian.

FEDERAL ANNUITY SALES

ACTIVITIES of the Dominion annuity branch at Ottawa are again in the limelight with publication of the accounts for this department in the last fiscal year. As shown in a recent issue of The Financial Post, these accounts show that once again large sums of money were transferred from the consolidated revenue fund in order to maintain the reserves of the department.

The branch is costly on two other scores—namely, that all administrative expenses are paid by the government and (as has repeatedly been pointed out by this paper) the actuarial basis upon which this department operates is obsolete and a very considerable amount of money would be required to place it on a sound basis in light of present-day conditions.

Offsetting these costly features it is pointed out by officials of the branch at Ottawa that the government only allows the branch four per cent on its invested funds which is considerably less than it could obtain in the open market. Accordingly, it is maintained that the branch is not so heavily in debt as would appear on the surface.

With Parliament now in session it is time the activities of this branch were put on a definite business-like basis. Two probable lines of action are indicated. First, that the branch raise its rates so that its activities as now carried on should at least be on a sound actuarial basis and not piling up both a contingent and current liability year after year. The second alternative is one which Prime Minister Bennett apparently has had in mind for some time—namely, a considerable expansion of the activities of the branch with a view to providing small annuities at less than cost on a very wide scale to encourage thrift among Canadian citizens. This plan would be developed as an alternative to the present expensive system of old-age pensions, the viewpoint being that it would be far cheaper for the government to encourage thrift among citizens via a straight subsidized annuity branch than to pay old-age pensions on the present magnanimous scale.

If the latter course were adopted, it would involve of course a broad question of social policy which would probably commend itself to many people in spite of the unsound economics involved. At least, it would put the annuity branch on a clear-cut basis and give a virtual state monopoly to the department in the small annuity business. Thus, the present conflict between private life companies and the federal annuity branch would be removed and private companies would be able to concentrate on the sale of larger annuities which promise to become an increasingly important business in Canada in the next decade.

If the government does not wish to embark on this comprehensive plan at the present time, (opposition it is learned has come from various provinces which now co-operate in the old-age pension plan) then the federal government should take immediate steps to put this branch on a sound basis of operation and eliminate the many weaknesses of the present scheme whereby the public funds are being used surreptitiously to bonus a branch of public business in direct competition with existing life insurance concerns.

EDITORIAL NOTES

Obviously a new name is indicated for the "Place de la Concorde."

* * *

"Byrd hampered by cold," says headline. He's not the only one.

* * *

An American news service forecasts for France a "personal government similar to that of Hitler in Germany, Mussolini in Italy, Stalin in Russia, Chamberlain in Britain and Roosevelt in the United States." The inclusion of Chamberlain as a virtual dictator is a shrewd recognition of a situation overlooked by most people. The list could properly be extended by adding the words "and Bennett in Canada."

* * *

One cause of France's trouble is that too large a percentage of the population are on the public payroll, according to an authoritative commentator. Something of the same trouble seems to be noticeable in Canada.

* * *

Commenting on suggestions that the city of Toronto should protect local manufacturers in its purchase of city supplies, Hamilton's city buyer, Col. H. D. Fearman, said his policy was one of an open door in calling for tenders and awarding contracts. He kept in mind the fact that Hamilton manufacturers had a market much wider than their own city, and if the city adopted a closed door policy in its buying, other centres might retaliate to the disadvantage of Hamilton industries.

Post-Scripts

QUEBEC'S Municipal Commission issues English translations of its reports on the affairs of defaulting municipalities under its control. In a recent bulletin, this translation appears:

> "The majority of the population of this corporation is composed of laborers and lumbermen who have not worked since two years, thus putting them in the impossibility of paying their taxes. This explains that most of the inhabitants are still living under direct relief. However, a large quantity of wood is expected to be cut this winter, and it is probable that during the present year, this corporation will be in a position to effect a payment on the passed due coupons."

While purists could find ample fault with the English wording, the meaning is none the less apparent.

A CANADIAN business man, who recently did a little travelling, brought home to his ten-year-old son a piece of paper currency from Haiti. It was a gourde, of which five are exchangeable at the national bank in the republic for one United States dollar. He thought the note would be a curiosity which the boy would value as a keepsake.

Two days later the boy took the note to a near-by toy shop and after some persuasion induced the storekeeper to accept it at par for 20 cents worth of toys.

Naturally the father was much annoyed but, pursuing his lessons in foreign exchange, he gave the boy a 100,000 mark German note of the old régime. He implored his son not to try to spend it.

A week later he noticed the boy still had the German note. He remarked casually, "Well, I see you haven't spent that one."

"Naw," said the youngster, "the man says it ain't worth nothing."

PRESENT and future ministers of finance will have a fairly rigid advisory body to "aid" them when the new Central Bank is established and operating. But those of them who are individualists may find, in moments of crisis, that the central bank will hamper them in working out the best solutions of emergency situations.

During the war, Sir Thomas White gave Canada's affairs a financial direction that was masterly. He sought and obtained advice from the best possible sources but having no permanent advisory body to bother him he was not tied down to conformity to their prejudices and red tape.

Likewise, the Finance Act today has an elasticity about it that greatly helps the Minister of Finance in meeting the country's financial problems.

There is a classic story about the Westerner to whom Sir Sam Hughes offered a commission. The war minister asked this man if he wanted to join the infantry or the cavalry. The reply was "The infantry. When we get into trouble I don't want to be hampered with no horse."

In days to come many a finance minister, facing conditions such as those that exist today, may wish that he were not hampered by "no horse."

Sayings of the Week

"Nonsense is one thing that offends nobody."—*G. K. Chesterton.*

* * *

"Civilization may be in greater danger from peace than from war."—*George Bernard Shaw.*

* * *

"Germany's struggle for racial purity is a great cultural need."—*Hans Frank, Nazi Commissioner of Justice.*

* * *

"Without bunk in the place of history, few existing political movements could hope to carry on."—*H. G. Wells.*

* * *

"Like his Royal grandmother before him, King George is the best speaker in his realm."—*George Bernard Shaw.*

* * *

"In the past hundred years, the industrial age has superimposed itself upon agricultural civilization."—*Benito Mussolini.*

* * *

"It will be the business of long distance planners to see that leisure is not a curse instead of a blessing."—*Aldous Huxley.*

* * *

"I do not believe we are ever going to borrow ourselves out of adversity and into prosperity."—*Senator Arthur Meighen.*

* * *

"In almost every country the timorous policies of governments lag behind the public opinion of their peoples."—*Nicholas Murray Butler.*

* * *

"In the long run, excesses produce austerities, and austerities produce excesses. The wise life would be temperate and moderate."—*John Erskine.*

* * *

"It has become almost a Canadian philosophy not to espouse a new measure until it is felt that the people are ready for it."—*Rev. Salem G. Bland.*

* * *

"I should like to be able to feel that our Western farmers, come what may, can always be sure of their three meals daily."—*Senator Raoul Dandurand.*

* * *

"International relations and international discussions at the present time are at a very low ebb."—*Sir Arthur Balfour, English steel manufacturer.*

* * *

"After studying numbers of spirit messages I have come to the conclusion that, if ghosts have souls, they certainly have no brains."—*C. E. M. Joad.*

* * *

"It is not the soldiers who want war. It is the munition makers and others who make money out of war that want it most."—*The Lord Bishop of Algoma.*

* * *

"The great United States has set its face toward the proclaimed purpose of drinking itself prosperous."—*Fred Freestone, master of the New York State Grange.*

* * *

"People are no longer willing to look upon social calamities as beyond human control."—*Walter Lippmann, special editorial writer of the New York Herald Tribune.*

* * *

"The plain truth is that the present British national government has never had a foreign policy worthy of the name."—*Wickham Steed, former editor of The Times.*

* * *

"Every one I know has some kind of remedy for solving our present troubles, but many of them sound like the advice about repainting the pump to improve the well water."—*Mary Pickford.*

* * *

"Back of every stuffed shirt in Washington is some woman, patiently, ably, self-effacingly performing the service for which someone else gets the salary and the honor."—*Miss Frances M. Robinson, secretary to General Hugh S. Johnston.*

* * *

"One of the most difficult tasks of President Roosevelt is to distinguish correctly between the superb loyalty of the American people in support of their government in an emergency and their real conviction as to what is wise in a permanent programme of reconstruction."—*Owen D. Young, chairman of the board of the General Electric Company.*

In the Mail

Grasshoppers

Editor, The Financial Post:

Many thousands of dollars will be spent this spring and summer in an effort to save the crops in certain known large areas from grasshopper invasion. The areas in which hoppers have laid their eggs are to a great extent known to government observers and will still be principally in southwestern Manitoba and south and central Saskatchewan.

Now a lower wheat acreage is urged! Why not confine seeding to those sections where hoppers do not as a rule migrate—northern areas are seldom affected to any great extent; and concentrate on destruction of the pest in unsown districts to save maturing for flight elsewhere? Eggs are usually laid along the road allowances and the railway right-of-way where the hoppers are not disturbed and poison bait, spraying, or burning over sod should in a great measure kill off the young. Heavy rains if they happen are usually destructive to the eggs.

Calgary, Alta. READER.

Published Balance Sheets

Editor, The Financial Post,

Your last issue contains two balance sheets which call for comment. Distillers Corporation-Seagrams Ltd., includes in one item "plant, equipment, goodwill, trademarks and blends," although the Dominion Companies Act requires that plant and equipment shall be separated from goodwill and trade marks.

Melchers Distilleries gives the following information:

Land, buildings, machinery and equipment .. $1,746,311.20
Less: reserve for depreciation 307,978.80

The amount of depreciation for the year is not given and the auditors say "Provision has been made for depreciation on automobiles and office furniture and fixtures only." Does this mean depreciation for the year or the total up to date? As there is no indication as to the relative value of land, buildings, machinery, automobiles and furniture or as to the amount of depreciation for the year, the auditors' report gives no information of which use can be made. Is it merely a suggestion to shareholders to make enquiries themselves?

C. A. ASHLEY.

University of Toronto,
Feb. 10, 1934.

Expansion In The West

Editor, The Financial Post:

As one who lived for over 20 years in Western Canada I should hold myself lacking in loyalty if I did not ask that ordinary justice be done in the unfolding of her tragic story. The account of her financial plight and the recital of her sins of omission and commission being worthy of whole pages of your publication, perhaps some small corner may afford hospitality to a few words written in her defense.

I think most Easteners would gather, from what they are given to read on the matter, that Canada would be infinitely better off if she had never extended west of Fort William. They must be fully convinced that all the proud cities, diversified industries, paved highways and the thousand and one things that go to make up the present wealth of the East would exist pretty much as they do today if there had never been a furrow ploughed on the Prairies.

Where were the plans for the exploitation of the West laid and to whom did the profits of that exploitation accrue?

Were the railways, of the West, built to serve the needs of an existing population or was the world scoured to procure settlers to provide business for the railways? In 1927 when the Western farmer M. P.'s protested the importation of boatloads of Central Europeans who was it laughed them to scorn and said, "You can't turn immigration on and off like a tap?"

Did no Eastern industrialist ever take comfort from the thought that "not ten per cent of the arable land of the West is under cultivation" and dazzle his stockholders with visions of the profits to be made during the development of the remaining 90 per cent.

I have no illusions about the superior moral purpose of the Western Canadian, but I do maintain that we are all equally guilty in this matter of the bedevilment of a great heritage.

G. A. TANDY.

Langstaff, Ont.

Wants Acreage Curtailed

Editor, The Financial Post:

Dear Sir:

There continues to be talk and talk of what can be accomplished by devaluating the dollar, raising the price of gold, and in turn apparently advancing the price of commodities. It may be admitted that some measure of success has been obtained by these means. But the permanent increase in values of what the producer sells as against what he buys is not being attained. It cannot be attained as long as over-production and consequent cut throat competition continue to fight against all efforts to lift agriculture out of "The Slough of Despond" into which it is bogged.

The United States, France and in a measure Germany have taken steps to reduce acreage, with only very moderate success. The big question today is: What will Canada and the United States do as regards their spring wheat planting? Are the farmers going to be fooled by a moderate stiffening in prices of today, a mere changing of hands of the surplus, into once again planting more acres than can ever be profitably worked? Or will they realize that the average production on world acreage sown the past three years is greater than can be consumed, so we have had a climbing yearly carry over until in 1933 it had become a serious burden. Is the end of the crop year 1933-34 to find the exporting countries with an even greater surplus?

Yet captious critics of the policy of exercising some control of production have nothing to offer except that "something may happen." If they could show us in Western Canada where we can find markets for our surplus they would earn the gratitude of every home in Western Canada.

There must be planned production as against production running wild. Otherwise we shall come to dumping surplus in the sea or burning wheat as Brazil did coffee.

Winnipeg. BRUCE McBEAN.

That Tin Plate Plant

Editor, The Financial Post,

Referring to the leading editorial in your issue February 3, subject, "Tin Plate Order Goes to Britain," you say, "The transaction makes one wonder how important is the establishment of a tin plate plant at Sarnia by this firm."

Anyone with the slightest knowledge of the situation knows that the tin plate plant at Sarnia could only have been established in its present scope as a gesture on the part of the English mills to comply with Canadian requirements.

The transplanting of two small tinning pots and establishing them in leased quarters at Sarnia complies apparently with the requirements of the Canadian Customs Department as to established production of tin plate in Canada.

This having been done, the English mills continue to have the same relative advantage over U. S. mills, the latter being entirely shut out under present regulations.

Otherwise, if tin plate were not produced in Canada, it is quite probable that heavy imports would come in from U. S. A.

In view of the much higher cost of production in the small Canadian plant this is simply tribute being paid by the large English producers to enable them to maintain their advantage in this market, where they supplied in 1933 over 78,000 net tons of tinplate worth $7,000,000 compared with 2,000 tons worth $200,000 from U.S.A.

OBSERVER.

Hamilton.
Feb. 2, 1934.

Civil Service Salaries

Editor, The Financial Post:

I note in your issue of 13th inst., that the Dominion Government is considering cancelling the 10 per cent salary cuts which were imposed in the Spring of 1932. While I am in favor of fair wages I consider that it is hardly just for the Dominion of Canada to reinstate salary cuts until they can show some reduction in taxation. The businesses of the country produce the revenue which enables the country to run and it seems fair to me that the businesses of the country should be able first to reinstate their employees' salaries before the Government of the Dominion of Canada or any of the provinces can justly reinstate theirs.

While their cut has been 10 per cent in many businesses salary cuts have been far larger and no reinstatement has yet taken place, and in businesses such as the one which I manage the increase in the company's Dominion and provincial income tax is more than equal to the reductions in salaries which have been voluntarily accepted by the staff. In other words, had the taxes not been increased it would not have been necessary to reduce the staff's salaries. As a matter of fact it is really the employees of the businesses who are in the main standing the increased income taxation of businesses in the Dominion of Canada, and it is only fair that the employees of the Government should bear their share of the burden, and the first people who should be reinstated are the people who produce the business profits which enable the Government to carry on.

In connection with the meeting of the provincial premiers with the Dominion Government, I am entirely in agreement with the opinion of many people who consider that no advances or guarantees should be given to the provincial governments unless the expenditure is controlled by the Dominion Government. A great proportion of the debt has been caused by the use of the political pork barrel and inefficiency through not having proper civil service administration entirely free from politics, and there is no reason why the interest on Provincial securities should be reduced or for the Dominion Government to guarantee them unless there is a proper assurance that this wastage through party favors is to cease.

Kelowna, B.C. O. ST. P. AITKENS.

New Books

National Health Insurance

Government officials and students of health insurance plans will find much information in a new volume, "National Health Insurance," by W. J. Foster, a British barrister, and F. G. Taylor, a Fellow of the Institute of Actuaries.

There is little of color or opinion in the volume, for outside of a short introductory chapter of ten or fifteen pages, the entire volume is devoted to an exhaustive detailed analysis of the British health insurance scheme. A special feature of the book is the provision of marginal references of particular value to those who study this legislation from a legal point of view. The references cover the exact statute and regulation of the various provisions of the act.

One feature of the British legislation which is worthy of note in this country is that the "tendency of the times toward legislation by regulation is amply illustrated by the scheme." The authors report that the statutory rules and orders in force have multiplied tremendously and that since 1911 there has been a "continuous stream of legislation from then onward" "He would be bold," say the authors, "who would say the stream is dammed."

"National Health Insurance" is published by Sir Isaac Pitman & Sons (Canada) Ltd. Price $2.25.

"The Dollar, The Franc, and Inflation"

What happened to wage earners and farmers in the great inflation in France shortly after the war? If one could study the immediate and the long term effects of, first, inflation and, then, devaluation of the franc one would have a better clue as to the possible consequences in Canada of the unlimited issue of currency and the drastic devaluation of the Canadian dollar that is suggested by monetary theorists in this country.

Dr. Eleanor L. Dulles, of the Industrial Research Department of the University of Pennsylvania, has spent a number of years in making herself an authority on the French franc. She has just completed a very fascinating little volume under the title of "The Dollar, The Franc and Inflation," which indicates who were the real sufferers in the inflation in France and that applies the lessons of that period to the situation on the North American continent. It is a swift moving story and it makes it very clear that those who were supposed to be the beneficiaries of the rapid increase in paper prices and ultimate devaluation were in reality the worst sufferers. Dr. Dulles shows that inflation has always been a form of confiscation which takes saved wealth indiscriminately from those who have put it aside for future use. It is a means of injecting a large unknown factor into price relationships. It impoverishes the middle classes and shifts the balance of power and industry. So abrupt and drastic are the changing relationships that only exceedingly clever professional speculators are able to protect themselves and to take advantage of them. The small capitalist loses to the man with more wealth; the wage earner and the farmer are financially weakened. In no important respects can inflation wipe the slate clean of old mistakes and make easier a new beginning.

Dr. Dulles traces the recent comparative prosperity of France to the drastic steps undertaken to stabilize the franc in 1925.

"The Dollar, The Franc, and Inflation" is published by the Macmillan Co. of Canada, Toronto, at $1.50.

Other People's Views

Talent Wasted

Calgary Herald—The Senate contains a large group possessing ripe administrative experience. This should be utilized more freely in the national interest.

Catch Phrases

Christian Science Monitor: Catch phrases are more dangerous than bullets. They close the intellect to further thought on subjects of profound concern to humanity. They take a public issue onto ground where it cannot be joined. At once it degenerates into controversy based on passion and prejudice which winds up in the victory of the party which is better able to tickle the ears of the groundlings.

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organization to make such investment suggestions as will best suit the specific requirements of individual clients.

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That the Capital Trust Corporation serves its customers well is conclusively proved by the steady growth of this institution.

Year	Capital and Surplus	Estates Under Administration	Savings Accounts	Total Assets
1918	434,492	1,060,680	448,335	1,959,793
1922	639,819	3,688,338	1,282,328	5,610,486
1926	719,294	5,908,285	2,708,655	8,336,648
1930	933,690	9,138,215	5,146,249	15,218,670
1932	1,106,234	10,616,502	5,510,230	17,236,530
1933...	1,110,610	10,942,139	5,434,715	17,495,467

If you are in need of advice on any financial matter, or in regard to your will, write us or call at any of our offices.

CAPITAL TRUST
Corporation Limited
MONTREAL OTTAWA TORONTO
Under Dominion Government Inspection

The British Mortgage and Trust Corporation of Ontario

Incorporated in 1877

Summary of Balance Sheet, December 31st, 1933

ASSETS

Office premises	$ 87,000.00
Other real estate	195,003.57
Mortgages, etc.	5,720,493.80
Government bonds	169,257.35
Canadian municipal bonds	304,847.65
Other bonds and stocks	274,701.38
Advances to estates	9,436.31
Cash on hand and in bank	134,308.89
	$6,895,048.95
Estate investments	642,308.13
	$7,537,357.08

LIABILITIES

To shareholders:	
Capital stock fully paid	$1,000,000.00
General reserve fund	700,000.00
Special investment reserves	125,000.00
Dividend payable 2nd January, 1934	50,000.00
Profit and loss credit balance	23,139.14
To the public:	
Guaranteed investment receipts	3,047,117.03
Trust deposits	1,799,613.91
Other liabilities	150,178.87
	$6,895,048.95
Estates, trusts, etc.	642,308.13
	$7,537,357.08

REVENUE ACCOUNT FOR 1933

Brought forward from 1932	$ 19,209.36
Net earnings on 1933 business (after allowance for bad and doubtful accounts and reserve for overdue interest)	103,929.78
	$ 123,139.14
Distributed as follows:	
Dividend at 10% per annum	100,000.00
Balance carried forward to 1934	23,139.14
	$ 123,139.14

Dated at Stratford on February 8, 1934.

NELSON MONTEITH
President

W. H. GREGORY
Managing Director

Business Conditions in Canada

The Week in Business

Visions New Expansion Period

SALIENT feature of the current business situation is the prospect of another industrial expansion, according to the current monthly letter of the Canadian Bank of Commerce. The recession which set in last October after six months of expansion was checked in December, and reliable information from many sources indicates that any decline which may have taken place in January was much less than is usual at a time when manufacturers have to devote considerable attention to stocktaking and to their plans for the spring trade, the letter states.

Statements made in the bank letter command specific interest because of the widespread sources of information which are available through its branches. Summary of information obtained from these exclusive sources and contained in the letter, follows:

"Reports from our branches in many industrial sections state that many manufacturers have orders in sufficient volume to keep their plants occupied for some months; that certain industries, those making farm implements, for example, which did not share in the 1933 revival, are resuming operations on a moderate scale; and that two of the largest steel producers are in receipt of new contracts which will raise their output above the former months."

* * *

Stockyards in Limelight

NECESSITY of maintaining the volume of livestock which passes through public stockyards, in order that a competitive market price may be known, is being stressed at the present time owing to the charges made by the Hon. H. H. Stevens against the packers for "back-door" methods of purchasing and the allegation made by the chairman of the Ontario livestock committee that the stockyard charges were far too high. In a recent issue of the Edmonton Journal, an advertisement of three commission brokers appeared urging farmers to deal through the stockyards. The wording is significant:

"The prices given in this newspaper and over the radio are furnished daily by the Dominion Government markets representative maintained only on Public Stock Yards, and is the only public information of prices and market trends given out. How would you know the competitive value of your livestock if these prices were not advertised? Help us to maintain an open market at Edmonton for your benefit by shipping to Edmonton Stock Yards."

* * *

Ford Gets Good Start

THE battle for leadership in total automobile sales in Canada, indulged in annually by Chevrolet and Ford, is much more open this year than in any since 1931. Ford has made a flying start with sales of about 500 models in January as compared with 200 for Chevrolet and thus leads for the first time since 1930. In the United States, Ford production is running ahead of Chevrolet, according to Cram, leading automobile authority. This source also says that Ford will lead Chevrolet in total units in 1934 for the first time since 1929.

Reasons for this prediction are given as follows:

1. Beating competitors in getting new cars to dealers.
2. An f.o.b. price $50 below his principal competitor.
3. The proved quality of the new car.
4. No buyers' resistance to radical innovations.

JAN. AUTO SALES FEATURE BIG LEAD TAKEN BY FORD

Nash and Buick Only Other Cars to Boost Sales

That the increase in automobile sales in January in Ontario was not greater than resulted can be accounted for by the fact that a number of largest sellers were not in production at the beginning of the month. Ford, however, cannot be placed in this category and as a result registrations of models of this make led the field and were the largest January total since 1930, according to an analysis made by The Financial Post of figures compiled by Might's Directories and published in Canadian Automotive Trade.

Ford, Buick and Nash were the only makes to report higher sales than in January a year ago, all the leaders falling behind the start made in that year. Buick sold 67 cars as compared with 62 a year ago. Nash, which accounted for only one car in January last year, is credited with eleven last month.

Total Sales Higher

Total sales for the month numbered 956 as compared with 937 in January a year ago. Sales figures are not yet available for the other Eastern provinces but they are never large in January, the estimated total for Quebec and the Maritimes being 50. The same condition exists in the Prairie Provinces so that Ontario sales can be taken to represent approximately 85 per cent of the January total for all Canada.

Sales of the leading makes in January as compared with January a year ago are shown in the following table:

Ontario New Car Sales in January
(Leading Makes)

	1934	1933
Ford	453	102
Chevrolet	182	348
Dodge	75	105
Buick	67	62
Pontiac	46	56
Plymouth	29	93
Studebaker	24	29
Terraplane	12	20
Nash	11	1

Radio Stocks Reduced From 35,000 to 8,000 Sets

Distress Merchandise Disposed of During 1933 — Industry Looks for Expansion This Year — Many New Features Added to 1934 Models

Following a very satisfactory autumn and early winter business, the radio industry in Canada began 1934 in a good statistical position, inventories amounting to approximately 8,000 sets as compared with 35,000 sets at the beginning of 1933, The Financial Post learns.

With inventories at this low level it may be assumed that distress merchandise has all been cleared off, it was explained. The purchase by Rogers-Majestic of the stock, goodwill, etc., of Consolidated Industries, manufacturers of De Forest radios, removed the last possibility of distress merchandise being placed on the market this year.

Closer co-operation between manufacturers makes the outlook brighter for 1934. Under a voluntary price agreement, the leading manufacturers have agreed to maintain price standards for various types of sets. Manufacturers are emphatic in stating that these price standards do not place prices at levels which afford excessive profits but are primarily arranged to eliminate ruinous price cutting which has been the bugbear of the industry during the past three years.

Prices Were Too Low

One manufacturer pointed out that, owing to the large amount of distress merchandise which has been handled recently by department stores, the buying public has little or no appreciation of the real value of radio sets. Liquidation at 50 cents on the dollar and less have been common, sets actually costing around $100 to produce being sold for $50.

Retailers state that they welcome this price agreement as it permits them to remain in business competition with large handlers of radio. It also affords them an opportunity to assure their customers that no half-price or cut-rate offerings of radio will be made — something which was lacking in the past.

It should be noted in regard to the "so-called" agreement that there is no compulsion to accept the proposed price schedules. In fact, there have already been instances in which the price has been shaded by manufacturers.

Questioned regarding the alleged combine in the industry which was the subject of an enquiry beginning in 1930 and which is again being aired, an executive of one manufacturing concern admitted that there was no real justification in Canada for the license fee imposed for operation under R.C.A. patents. He pointed out, however, that affiliation under R.C.A. patents allowed manufacturers to benefit from the experiments made by United States laboratories which were spending millions of dollars annually on research work, something which could not possibly be done by Canadian concerns.

The alleged combine which was investigated concerned the pooling of patents by the leading manufacturers for common use. A firm by the name of Canadian Patents Ltd. was the holder of these patents and manufacturers outside of the group were allowed access to them on payment of license fees. After establishing that tube manufacturers had a price agreement which maintained prices at around $5 when production costs were in the neighborhood of 60 cents, the investigation was dropped as by the time the enquiry was completed tubes were retailing at $1.30 each.

Three Major Producers

Owing to amalgamations and manufacturing agreements, the radio field in Canada can be roughly divided between three manufacturers, Philco, Victor and Rogers-Majestic. The first named produces the Philco radio only; the second manufactures the Victor sets and chassis for Canadian General Electric, Canadian Westinghouse and Marconi; and the third now produces the Rogers, Majestic and De Forest lines. Columbia, Fada, Sonora, Stewart-Warner, Stromberg-Carlson and Northern Electric sets are also produced but their aggregate production is small in comparison to the first three named.

The Grimes Company of Kitchener produces the Serenader sets for the R. Simpson Co. Under the manufacturers' agreement this concern is allowed the right to sell its sets at wholesale at a ten per cent discount from the established prices.

Develop Short Wave

Further development of short-wave reception is the feature of most of the 1934 models. The more expensive models being able to tune in English and Continental stations at any hour. New type tubes and a sloping sounding board are featured in different advertising campaigns for leading manufacturers.

One interesting development in a 1934 model, which would appear to have a definite usefulness, is an attachment which, by adjustment, will allow the radio to tune in only a selected list of stations—varying from 10 to 20 in different localities. When this adjustment is made a switch may be snapped to bring in other and more distant stations.

NEWFOUNDLAND'S BETTER FISH CURE AIDS EXPORT SALE

Total Catch is Slightly Smaller But Value Higher

Improvement in the cure of the 1933 codfish catch of Newfoundland is the most significant point brought out in the annual report of the Newfoundland Board of Trade. For this improvement, which has already resulted in better prices for Newfoundland's chief export product, the activities of the Salt Codfish Exportation Board are given full credit.

Lack of bait hampered the shore catch with the result that the total return is estimated at about 150,000 quintals less than in 1932, or 700,000 quintals. The bank catch amounted to 113,000 quintals, or 12,000 quintals more than in 1932 and the Labrador catch was approximately the same as in that year at 300,000 quintals. The improvement in cure and some slight betterment of conditions in Newfoundland's chief markets, however, will result in an increase in value of from $1,000,000 to $1,500,000, it is estimated.

Salmon Exports Gain

Greater demand in the British market for frozen salmon combined with the improvement in the exchange value of the pound sterling in terms of dollars helped this section of the fishing industry. The catch is estimated to have been approximately 3,000,000 pounds, or between 300,000 and 400,000 pounds greater than in 1932, exports increasing in proportion.

Some improvement was noted in the herring division of the fishing industry, exports being slightly higher and prospects brighter. The blueberry exports to United States were disappointing owing to the low prices obtained and the high tariffs with which exporters had to contend.

1934 Prospects Brighter

Lifting of the excessive interest load by refunding of Newfoundland's loans and the new political set-up are expected to promote better business in 1934. In Newfoundland's world markets, the continued high level of sterling exchange is an important factor, not only in its effort on exports to the United Kingdom, but because drafts in payment of codfish are usually drawn on London. Brazil, where approximately one-third of the codfish catch finds a market, is steadily improving its financial situation which in the past two years has made settlement for exports difficult.

Commodity Prices

	Week ending Feb. 10	Previous week	Same week last yr.
Cattle, cwt.§	$6.25	$6.50	$4.75
Copper, lb.	.08	.08	.05
Cotton, lb.	.1265	.1195	.0610
Rubber, lb.	.1065	.0997	.0296
Sugar, raw, lb.	0360	.0330	.0270
Silk, lb.	1.55	1.57½	1.25
Wheat (Man.) bu.‡	.66	.66⅛	.46¼
Hides, lb.	.10½	.10½	.05
Coffee, lb.	.10¼	.09¾	.08¾

Weekly Indices♦

N. Y. Annalist■	105.8	104.8	81.1
Fishers'	73.2	72.8	†71.3
N. Y. Journal of Comm.●	73.1	72.7	52.5
Crumps (Brit.)	66.3	66.0	†63.4
Can. (D.B.S.)▲	93.2	88.1	71.3
U. S. Labor●	72.8	72.4	60.0

†Average, 1933. ●Feb. 3.
■Week to Feb. 6. §Feb. 8.
▲Jan. 20. ‡Feb. 12.

Monthly Indices♦

	Latest w'sale	Prev. month	Same month last year
Canada (B.D.S.)			
W'sale (Dec.)	69.0	68.7	64.0
Retail (Dec.)	78.4	78.1	81.4
U. S. Labor (Dec.)	70.8	71.1	62.6
Gt. Brit.● (Dec.)	69.6	69.6	68.1

♦N. Y. Annalist base, 1913, others 1926 = 100.

●Board of Trade Index, converted from 1913 base.

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto: copper—electrolytic, New York; silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

New Industries and Plant Extensions in Canada

Compiled Weekly
By The Financial Post

The Toronto Industrial Commission reports the establishment of the following companies:

Robinson Clay Products Co. of Canada, Ltd., will shortly commence manufacture of plastic firebrick cement in Toronto. The company, a subsidiary of an Akron, Ohio, concern, has distributed the product of its parent company in Canada for some time. R. S. Tovell of Toronto is secretary and general manager.

Seiberling Rubber Co. of Canada, Toronto, has made arrangements to manufacture in Canada the General Tire & Rubber Co.'s line of tires. It is understood that manufacture for the export market will also be undertaken.

Sidney Caplan, Ltd., has been formed in Toronto to manufacture women's slippers.

Globe Envelopes, Ltd., is a new concern which will operate in Toronto.

Standard Leather Co. will shortly commence operations in Toronto processing sheep skins for use in the manufacture of caps, coats and gloves.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	Weekly Latest 1934	1933	Cumulative Jan. 1 to date 1934	1933
Transportation—				
Car loadings (Feb. 3)	▲25,998	20,709	196,240	155,706
C. P. R. gross earn. (Feb. 7)	$ ▲2,155,000	$ 1,777,000	$ 11,125,000	$ 9,456,000
C. N. R. gross earn. (Feb. 7)	$ ▲2,661,000	$ 2,234,868	$ 14,223,583	$ 11,958,457
	Monthly 1933	**1932**	**Cumulative Jan. 1 to date 1933**	**1932**
C. P. R. net earn. (Dec.)	$ 3,246,397	$ 2,510,749	$ 20,862,105	$ 20,089,984
C. N. R. net earn. (Dec.)▲	$ 709,126	$ ‡135,722	$ 5,707,183	$ 5,895,434
Iron and Steel—				
Pig iron, tons (Dec.)	38,612	27,031	229,076	144,130
Steel, tons (Dec.)	49,557	27,313	407,981	339,346
Automobile prod. No. (Dec.)	3,262	2,112	65,924	60,789
Auto Vehicles—				
Passenger, sales, No. (Dec.)	800	848	39,568	38,621
Trucks & buses, sales, No. (December)	167	190	5,764	7,249
Auto. exports, No. (Dec.)	1,657	1,132	20,900	13,022
Construction—				
Building permits (Dec.)	$ 1,975,855	$ 1,569,255	$ 21,629,783	$ 42,319,397
Contracts (Jan., 1934)	$ 6,702,900	$ 3,362,400	......	......
Newsprint—				
Production, tons (Dec.)	175,304	138,682	2,017,004	1,907,566
Exports, tons (Dec.)	185,686	136,993	1,838,098	1,826,758
Sugar—				
Imports, raw, lbs. (Dec.)	12,718,800	22,731,400	486,962,000	674,635,900
Melt. & ship., lbs.*	▲16,621,105	18,766,629	......	......
Manufactured, lbs.*	▲22,667,397	27,303,133	......	......
Flour—				
Production, bbls. (Dec.)	967,284	1,009,799	13,883,461	14,465,164
Wheat flour exp., bbls. (Dec.)	413,183	492,033	5,570,136	5,131,781
Other Industrial Indices—				
Lumbering: Plank & board exports, mill. ft. (Dec.)	99.39	88.54	1,018.77	675.05
Boots and shoes, pr. (Dec.)	▲944,816	978,064	19,221,308	17,879,218
Petroleum, imp., crude gal. (December)	64,969,684	32,807,694	954,392,366	889,838,742
Cotton, imp., raw, lbs. (December)	19,808,000	13,819,000	119,698,192	97,356,000
Rubber, raw, imp. lbs. (Dec.)	3,972,000	2,109,000	43,283,451	46,854,675
Coal, imports, tons (Dec.)	906,931	893,636	11,485,224	11,673,428
Gasoline sales, gals. (Nov.)	43,856,000	38,237,000	473,268,000	474,107,100
Trade—				
Imports (December)	$ 35,367,553	$ 28,961,212	$ 401,254,312	$ 452,614,257
Exports (December)	$ 50,928,856	$ 42,615,796	$ 531,474,179	$ 493,808,841
Wheat exports, bus. (Dec.)	17,457,963	27,735,999	191,968,861	228,219,755
Labor—				
Employment Index (Jan.)	88.6	78.5	......	......
Electric Power—Output—				
M Kilowatt hours (Dec.)	1,707,885	1,432,191	17,552,999	15,862,086
Finance—				
Failures, No. (November)	155	229	1,885	2,224
Failures, Liabilities (Nov.)	$ 1,939,883	$ 4,342,717	$ 30,609,086	$ 38,849,423
Bank debits (Dec.)	$ 2,492,000	$ 2,085,000	$ 29,981,544	$ 25,844,683
Bond sales (Jan., 1934)	$ ▲43,799,000	$ 20,192,610	......	......
Insurance sales (Dec.)	$ 37,376,000	$ 33,483,000	$ 364,050,000	$ 403,923,000
Automobile Financing—				
Used cars (December)	$ 426,109	$ 658,822	$ 10,125,306	$ 13,124,289
New cars (December)	$ 307,656	$ 473,433	$ 10,029,092	$ 12,741,358

*Four weeks period, Jan. 6 to Jan. 27, 1934. †(000's omitted). ‡Deficit.

WHOLESALE PRICES GAIN IN JANUARY

But Change in Price Series Alters Comparison

Wholesale prices in January, as measured by the Dominion Bureau of Statistics' index, showed a good gain over the previous month, the respective figures being 70.6 and 69.0. Owing to the fact that several changes have been made in the compilation of the index for January, 1934, the figures are not strictly comparable, however.

Beginning in January this year, the index will be based upon 567 price series instead of 502 as formerly. Since 1928, when this list was last revised, several items then included have ceased to be of commercial importance. Substitutions and additions made advisable by changing conditions are responsible for the larger number of price series now used.

All groups, with the exception of chemicals, showed gains from the previous month and were all greater than in January a year ago. Comparative figures follow:

Wholesale Prices, 1926 = 100

	*1934 Jan.	1933 Dec.	1933 Jan.
Vegetable products	64.0	60.5	50.9
Animals & products	65.1	63.3	57.1
Fibres, textiles	72.5	71.7	68.0
Wood, wood products	65.3	64.6	63.6
Iron & products	87.2	86.7	85.4
Non-ferrous metals	67.0	66.5	56.9
Non-metallic minerals	86.2	85.3	86.0
Chemicals	80.6	80.8	82.5
Total	70.6	69.0	63.9

*New price series of 567 items introduced. Former series contained 502 items.

Business Briefs

Fresh Salmon Exports to the United Kingdom in 1933 amounted to 49,002 cwts., as compared with 25,007 cwts. in 1932. The respective values were $672,568 and $352,532.

Car Loadings in the week ended Feb. 3 numbered 39,543, a decline of 628 cars from the previous week, but 7,632 cars more than in the same week of 1933.

Wholesale Prices in January showed a substantial rise. The index of the Dominion Bureau of Statistics rose from 69.0 in December to 70.6, gains being general.

Failures in the week ended Feb. 3 numbered 16 as compared with 44 in the corresponding week of 1933. For the year to date, failures have been reduced by 37 per cent, the comparative figures being 137 and 218.

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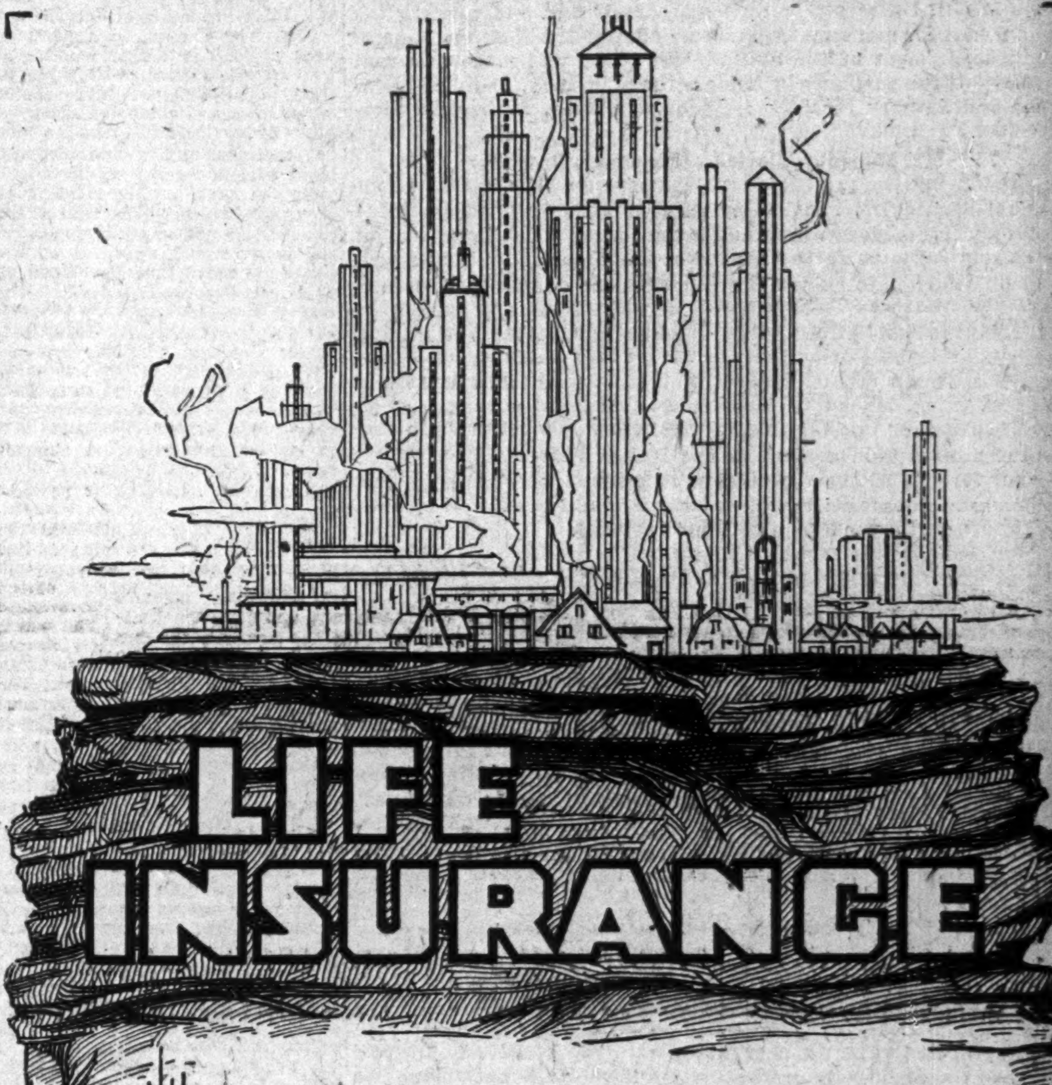

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TESTED by every major catastrophe—world war, world epidemic and world depression—Life Insurance has demonstrated its strength and stability. It has proved a veritable bed-rock of our economic life. It has met every obligation 100 cents on the dollar and met it promptly. It has relieved financial distress, guarded families and homes, proved a sure protection against poverty and want.

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L-234

Elect Arthur B. Wood To Be New President Sun Life of Canada

T. B. Macaulay Reviews Fifty-Six Years of Service at Sixty-Third Annual Meeting of World-Wide Institution — Important Changes in Executive Announced—E. A. Macnutt Elected Director and Vice-President — Mr. Macaulay Will Be Chairman of Board of Directors.

Directors Report Progress Made in 1933 — Encouraging Statements Made as General Recovery in Business is Reflected in Improved Financial Position of the Company — New Business Secured in 1933 Again the Largest Amount Secured by Any Canadian Company — Assets Show Increase.

Growth of the Sun Life Assurance Company of Canada from a small nucleus with assets of $130,000 to its present dominant position as a world force in the life insurance business, was recalled this week at the annual meeting of the company, when T. B. Macaulay announced to shareholders and policyholders his retirement from the presidency after fifty-six years of active association with the company. At a subsequent meeting of the board of directors, Mr. Macaulay was appointed Chairman of the Board and Arthur B. Wood, formerly managing director and vice-president of the company, was elected president. Mr. Wood will continue as managing director, while Mr. E. A. Macnutt was elected a director and also vice-president of the Company.

Arthur B. Wood, B.A., F.I.A., F.A.S., F.A.I.A., F.C.A.S., is recognized as one of the leading actuaries on the American continent, having received the highest honour in the actuarial profession when he was elected president of the Actuarial Society of America, serving in that office for two terms.

He was born in Knowlton, Que., on October 28, 1870, was educated at Knowlton Academy, St. Johns High School, and graduated from McGill University with the degree of B.A. and winning the gold medal for mathematics. He was appointed chief clerk, actuarial department of the Sun Life in 1893; was made assistant actuary of the company in 1900; actuary in 1908; and vice-president and actuary in 1923; in February, 1932, he became vice-president and managing director.

Mr. Macaulay Reviews Company's Progress

Reviewing the growth of the company in his remarks at the annual meeting, Mr. Macaulay pointed with satisfaction to the recovery in business which had taken place. "The improvement is clearly reflected in the figures of the report now before you, and on which I think we can congratulate ourselves," he said. "It is true that we still have a considerable distance to go, but the important fact is that we are beyond question moving upward and there is every indication that the future into which we are entering, will be an era of prosperity that has had few equals in history." Mr. Macaulay forecast a substantial upturn in commodity prices on this continent as they gradually became adjusted to the altered gold content of the United States dollar. "This higher level is not only desirable, it is inevitable," he said. He expressed the opinion that devaluation would benefit all classes, but above all the holders of equities or stocks.

Referring to the fact that this would be the last annual meeting at which he would preside as President of the company, Mr. Macaulay gave a brief account of his association with the company by recalling the fact that when he joined the Sun Life in 1877 it had assurances in force of but $2,400,000 and assets of $266,000. The office staff at that time was four. Today assurances in force were over the $2,770,000,000 mark, while assets had soared to $624,000,000. In the head office building alone the company now has 2,300 employees, exclusive of agency force, while throughout the world there are 9,000 employees and officials including whole-time agency representatives. "We are considerably the largest non-industrial life assurance company in the entire British Empire. It is the simple truth to say that the progress of the Sun Life of Canada has been one of the outstanding features of modern life assurance."

Mr. Wood Presents Directors' Report

In presenting the directors' report for 1933, Arthur B. Wood announced that the company had paid for the substantial figure of $216,000,000 of new assurances and that while this total showed a reduction from 1932, the decline had occurred in the early months of the year when great uncertainty prevailed in many parts of the world. He drew attention to the fact that during the later months of 1933, consistent increases had appeared. "These may be taken as evidence of improving business conditions and restored confidence," he said.

Total business in force was shown at $2,770,000,000, a figure which exceeds by $307,000,000 the total in force at the end of 1929. He pointed to the sharp increase in annuity underwritings during the year, the purchase price of annuities being nearly $5,000,000 greater than in 1932. Surplus earnings during the year he reported as very satisfactory, with mortality favorable and substantial savings effected through decreased expenses of operation and management. He also reported a high ratio of liquidity, with cash and government bond holdings consistently increased and the excess of income over disbursements during the year nearly $25,000,000. He announced that no less than $97,457,000 had been paid during the year by the company to policyholders and beneficiaries, bringing the total since the organization of the company to the impressive total of $800,170,000, nearly half of which had been paid in the past four years.

Mr. Macaulay's remarks were as follows:

Improvement Evident

We are meeting today under conditions that are a delightful contrast to the outlook of recent years. The business trend both on this Continent and in Britain is at last distinctly on the upgrade. I need not waste your time by giving proofs, for that recovery is now in progress and becoming more evident with every passing week, is realized by everybody. The improvement is clearly reflected in the figures of the report now before you, and on which I think we can all congratulate ourselves. It is true that we have still a considerable distance to go, but the important fact is that we are beyond question moving upward, and there is every indication that the future into which we are entering, will be an era of prosperity that has had few equals in history.

We in Canada are so closely associated in business matters with our friends in the United States that development in that country cannot fail to produce corresponding results on our side of the line. The devaluation of the American dollar by forty-one per cent of its former gold content, is an epoch-making event, and has profoundly altered the outlook not only there but here. The value of American currency has now been definitely established, and new recovery forces of vast power are already in operation.

Future of Commodity Prices

The general raising of commodity prices in order to restore to business reasonable margins of profit is, of course, a necessity. Devaluation has made this price rise inevitable, and has thus brought prosperity within much closer range.

It may surprise some that there has not already been a more marked rise in prices since the dollar measuring rod has been so shortened. We may take it as an axiom that prices cannot rise materially except as the result of purchasing demand. There is no other way. Even devaluation cannot provide a short-cut. There must be increased purchasing power, and this can only develop as money becomes more plentiful and circulates more freely. This condition is being produced by the great public expenditures and by the growing expansion of general business. How rapid the progress will be we do not know, but of one thing we can be certain, commodity prices must rise substantially, as they gradually become adjusted to the altered gold content of the dollar.

Devaluation had become necessary in order to obtain relief from the steadily mounting burden of debt of all kinds, governmental, municipal and individual. This relief could come only in one or other of two ways—either by wholesale repudiation of debts, or by raising prices to a level permanently higher than that of 1926/28, while leaving the nominal value of the debts unchanged. This higher level is not only desirable, but inevitable. How can prices fail to rise when values are measured in dollars worth fifty-nine cents instead of in dollars worth one hundred cents?

Effect on Mortgage Debtors

If a man have a property worth $10,000 in 1926, he would be very fortunate if he could today sell at half that figure. He may have borrowed $4,000 or $5,000 in the days when such a mortgage seemed amply secured. The time had come when he was facing the loss of his entire investment, while the holder of the mortgage was facing the necessity of foreclosing, with resulting probable loss. Devaluation has changed all that. Prices are gradually moving upward, and when they will have reached their new ultimate normal level, that property can reasonably be expected to be worth not merely the old figure of $10,000, but probably $14,000, or even more, when measured in the new dollars. This will be a happy solution for both owner and creditor.

A few years hence we may have the problem of preventing prices going higher than even the normal new level, but as the supply of available capital can be effectually regulated by the credit base, this future danger can be averted, and in any case it need not trouble us now. That the President is fully alive to the necessity of intelligent control of the monetary base, is a fact for which we cannot be too thankful.

Equities Will Benefit Most

As prices gradually rise to their new level, property of every description will increase in value, and this must produce an era of great prosperity. Devaluation will benefit all classes, but of all classes the most favoured and happiest will be the holders of equities, the holders of stocks. I have always had supreme faith in the future of this Continent, with its vast resources and its virile and progressive people. It has been held back only by temporary conditions, which are now being rapidly removed. Released from their fetters, our two countries are already resuming their prosperous onward march. I do not mean that we must have another disastrous boom, for booms can only assume dangerous proportions if the ship be left unmanaged and allowed to drift as the winds may drive it. What we can look forward to is a great but normal prosperity, I hope so controlled and regulated that it will become our permanent condition. And in this prosperity our own Company will share in very full measure. In view of these facts, are we not justified in being enthusiastic?

Mr. Wood will deal with the details of the present report.

Fifty-Six Years of Service

And now I come to a personal matter. This is the last meeting at which I will preside as President of the Company. Age is no respector of persons, and after over fifty-six years of service, I feel that the time has come when I should formally hand over the reins of office to a younger man. At the meeting of Directors, which will be held at the close of this gathering, I intend with the consent and approval of the Board, to move that Mr. Wood be appointed President. Greatly to the sorrow of our Directors and Officers. our deeply esteemed confrère, Hon. James C. Tory, who has been so long connected with the Company, and who has contributed so materially to its up-building, feels that the condition of his health requires him to decline re-election. I suggest that Mr. Macnutt be elected to fill the vacancy, and that he be then elected Vice-President of the Board.

Had the depression not intervened, I would have taken this step two years ago. Now that the depression is rapidly becoming a thing of the past, and this vista of remarkable prosperity is opening before us, there is no reason why I should longer delay. This is, therefore, my farewell address as President. The break is a very trying personal wrench, but I am convinced that it is the right thing to do. As your retiring President I hope I will be forgiven if I reminisce for a few moments in the way of giving a brief account of my stewardship.

Record of Stewardship

When my honoured father took charge of the Company in 1874, sixty years ago, it was but a weak infant. It had assurances in force of $1,500,000, assets of $130,000, and an office staff of one, apart from my father. When I joined in 1877 it had assurances of $2,400,000, assets of $266,000, and an office staff of four. Today assurances are $2,770,000,000, and assets of $624,000,000, an increase since 1877 of 1,150 times in assurances, and 2,350 times in assets. In this building alone we have over 2,300 employees, not including our agency force. Throughout the world we have 9,000 officials and employees, including whole-time agency representatives. We are considerably the largest non-Industrial life assurance company in the entire British Empire. It is simple truth to say that the progress of the Sun Life of Canada has been one of the outstanding features of modern life assurance.

Many factors have contributed to this result. The Company has always been a leader in introducing improvements, which have not only increased its own business, but have extended and popularized life assurance everywhere. As illustrations: In 1880, when restrictions on residence and occupation and other technicalities made the usual life policy resemble an antiquated railroad bill-of-lading, our Company introduced the unconditional policy, requiring nothing but good faith on the part of the applicant. We were also the pioneer in extending the benefits of life assurance to under-average lives on safe and scientific lines. We were the first Canadian Company to extend its operations beyond the Dominion, an example which has now been followed by almost all the leading Canadian companies. At the present time, seventy per cent of all our assurances and seventy-six per cent of our total assets have come from policyholders outside the Dominion. We have made the name of Canada known, honoured and trusted in parts of the world where it was formerly little more than a geographic term. Canada is now the great international centre for life assurance, and what this has meant in the development of the Dominion needs no emphasizing.

Company Workers Praised

One point I wish to make very clear. The remarkable growth of the Company is not the work of any one man. It is the result of the wholehearted co-operation of our entire staff of workers, to whose ability and untiring zeal I pay unstinted tribute. Looking back it is easy to see where I myself have made mistakes, and I am my own most severe critic, but there is one thing in which I made no mistake, and that is in the choice of my associate officers. They have no superiors in any life company in the world. And apart from their efficiency, they are men of such fine character that it is a pride and joy to be associated with them. We have no factions, no frictions, but are a group of cordially co-operating friends. The high principles, not merely of integrity but of generosity, which were exemplified in my father, have become a controlling tradition, and have given the Company an individual character of which we are all proud. Perhaps the highest compliment ever paid to the Company was when I heard it described as a corporation that had a soul. That it will always be worthy of that grand distinction is both my earnest hope and my confidence.

Strong Personal Ties

My own relations with the Company have never been on a merely business basis. It is impossible not to have a strong sentimental attachment to an institution the infancy and youth of which were guarded and nurtured by one's father, and to the development of which one has himself devoted his entire business life. I have felt personally identified with the Company to an extent that few men have ever been identified with one institution. And now the time has come when this long-existing tie must be severed, in part at least. It has been my other self, and to tear it out of my life would be like tearing out part of my own self, but fortunately I will still retain my connection with the dear old Company as Chairman of the Board.

And now to all of you I bid a final good-bye as your President. Under the able and splendid leadership of my friend and successor, Mr. Wood, the Company will I know proceed to greater and greater heights of achievement, which will make all that has been done seem small. The past is in truth but the foundation laid for the future. And that future will surpass even our most enthusiastic hopes.

Mr. Wood Presents Report

In opening his address the new President, Arthur B. Wood, said:

Before discussing the report I would like to take a few minutes of your time to make some reference to the important personal announcement made by Mr. Macaulay in his address.

In a brief and sketchy manner Mr. Macaulay has given you an outline of the growth and development of the company, and the part played by his honoured father and himself in that great work. He has, however, told you but a small part of the story. Those of us who have been privileged to work with Mr. Macaulay for many years, some of us during a portion of what may be called the formative period, know how much the rapid expansion and progress of the company was due to his ability, his optimistic outlook, and his untiring energy. I know that I am expressing the feelings of all connected with the company when I say that we desire to pay full tribute to him for the part he has played in building this great institution and for the many notable contributions he has made to the development of the principles and practices of life assurance.

Mr. Macaulay has referred to this change of office as if it meant a break in that long association which he prizes so much. If it were a real break we would all feel very sorry indeed. But this is not so. Rather would we have Mr. Macaulay feel that he is merely obtaining that relief to which his long years of service entitle him for those responsibilities which cannot be separated from a high executive office. As chairman of the board of directors he will continue his official associations with the institution the building of which has been his life's work. Personally, and on behalf of the other officers, I would like to express appreciation of the very generous—and I would say all too generous—tribute he has paid to his associates. Our hope is that he may be with us for many years to come to give us the benefit of his experience and advice.

The Directors' Report for 1933 embodies a record of sound and consistent progress.

The growth of life assurance has been one of the significant social developments of the present century. The constant expansion of its services, and the closer adaptation of its benefits to the needs and uses of the people, have led to a wider understanding of its value, and a fuller realization of the soundness of its underlying principles. As a result a large proportion of the population now carry assurance providing against a wide range of contingencies. As this great body of policyholders necessarily includes people of almost every condition of life, the experience of the life assurance companies reflects the general conditions affecting the population as a whole. The period of expansion which had its culmination in 1929 was marked by increases in new business; the period of contraction which followed has been accompanied by corresponding decreases. The experience of our own Company has accorded with these general trends.

Later Months Show Gains

The new assurances of $216,000,000 include only the business on which the first premium has been fully paid in cash; revivals have been excluded, and reassurances have been deducted. The total shows a reduction from 1932, but the decline occurred in the early months of the year, when great uncertainty prevailed in many parts of the world. The fact, noted in the Report, that consistent increases appeared in the later months, may be taken as evidence of improving business conditions and restored confidence.

The total assurances in force now stand at $2,770,000,000, a figure exceeded by few companies. Compared with the previous year, this is a reduction of about 5 per cent, a result in close accord with average experience on this continent. A principal factor in the general reduction in assurances in force is the increase in surrenders. Policies that have been loaned upon present a greater exposure to surrender than policies whose reserves have been kept intact; and the increase in surrenders experienced by all the companies is a natural consequence of the abnormal loan accommodations granted to policyholders during the past few years. While our own surrenders were definitely higher than usual last year, our relatively favourable record for persistency of business was maintained. Revivals and reinstatements of policies amounted to a substantial figure.

It is worthy of note that the total assurances in force exceed by $307,000,000 the total in force at the end of 1929, evidence of the success with which the conditions occasioned by widespread reaction have been met.

In view of the international character of our Company, an observation on the composition of our business will be interesting. Of the total assurances in force, 30 per cent originated in Canada and 16 per cent in Great Britain and other parts of the Empire, making a total contribution from the British Empire of 46 per cent. From the United States we received 43 per cent., while 11 per cent. came from other countries.

Annuities Increase Sharply

A noteworthy feature of the year's operations is the increase in annuity underwritings, the cash received as purchase price of annuities being nearly $5,000,000 greater than in 1932. This indicates a growing appreciation of contracts providing for a guaranteed life income, removed from the risks incidental to many other forms of investment. A feature of public interest is the large increase in applications for annuities of small amounts, the average purchase price of the contracts sold during the year being about $4,000. It is also to be noted that while a few years ago Great Britain was the almost exclusive field for this form of protection, it is rapidly growing in favour in Canada and the United States.

The surplus earned during the year may be regarded as very satisfactory. The earnings of a life assurance company are derived principally from three main sources; savings resulting from favourable mortality, excess of interest over the rate required to maintain policy liabilities, and savings from the provision made for expenses of administration. The contributions to surplus earnings from each of these three sources were substantial.

Mortality Continues Favourable

The mortality experience has continued to be favourable. The payments in respect of death claims were but 57.9 per cent of the amount provided for that purpose, a slight improvement over the very satisfactory ratio of the previous year. The experience of life assurance companies during the past few years has been rather less favourable than formerly, due to the increased number of deaths from causes directly attributable to the depression, particularly among policyholders assured for large amounts. The fact that we are able to report so low a mortality rate at this time is evidence of the care exercised in the selection of risks.

The close relationship of the experience of life assurance companies to general conditions is further illustrated by the earnings from investments. The downward trend which has been a significant feature of the depression is reflected in the fact that our revenue from investments showed a slight decrease as compared with the previous year. There are, however, definite indications that the downward tendency has been arrested. Announcements by corporations of dividend resumptions or increases are appearing with increasing frequency, and the situation generally is such as to afford ground for the belief that the low point of earnings has been passed, and that steady improvement may be anticipated.

Operating Expenses Reduced

The closest attention has continued to be given to the problem of adjusting the cost of management and operation to the changes in the general economic situation. Economies have been introduced which, without sacrifice of efficiency or the quality of our service to policyholders, have resulted in substantial savings. Last year there was a reduction of $1,854,000 in expenses, and permanent benefit will be derived from many of the economies effected.

Among the items of uncontrollable expense is that of taxes. In view of the tendency toward increasing taxation, particularly marked during the depression, it is timely to point out that taxes upon a life assurance company are necessarily borne by its policyholders. The method of taxation in general use on this continent is a percentage tax on premiums. Taxes levied on this basis are a direct tax upon savings accumulated through life assurance policies, and so become a charge on thrift. A method of assessment of this character, moreover, tends to carry taxation beyond the point which could be regarded as a reasonable contribution by the life assurance companies to the public revenues.

Reserves and Surplus Maintained

The combined surplus earnings from all sources, after providing for dividends to policyholders on the basis of distribution currently in force, has enabled the sum of $7,635,055 to be applied in reduction of the values at which the securities are carried in the statement. The net surplus shows but slight variation from that brought forward from last year. The combined total of the reserves for depreciation in mortgages and real estate, the paid-up capital and balance at credit of shareholders' account, and surplus over all liabilities and capital stock, stands at $14,180,203.26 as compared with $14,195,332.08 at the end of the previous year.

"The investment practices of the companies have naturally been influenced by the general business situation. The extraordinary demand for loans and surrender values during the past few years, has placed the companies in the position of providing what is in effect a supplementary banking service for their policyholders. Under these circumstances the desirability of maintaining a greater degree of liquidity than in normal times would be considered necessary, has been emphasized. Throughout the depression our company has met every demand, as it has arisen, out of current income; and last year the income actually exceeded disbursements by $24,730,020.39. Nevertheless our liquid position has been greatly strengthened by consistent increases in holdings of government bonds, a substantial proportion for short terms, while cash on hand and in banks at the close of the year amounted to $18,201,063.06. the situation which prompted these steps as a measure of sound business precaution, is undergoing correction with the improvement in general business conditions. The demand for loans and surrender values is steadily approaching normal experience. The amount of cash received in repayment of policy loans in 1933 was the largest in our history, and the policy loans account at the end of the year actually represented a fractionally lower proportion of the total assets than in the previous year. These are practical evidences of the improved situation.

Huge Policyholder Payments

Payments to policyholders and beneficiaries during the year amounted to $97,457,000. Since organization the impressive sum of $800,170,000 has been paid out in benefits of this character. Nearly one-half of this total—$380,495,000—has been paid during the past four years, which of course is in addition to the extensive loan accommodations to our policyholders. These payments in a time of universal stress form a service of special social importance. The increase in the assets during the same period by $55,000,000 is an indication of the Company's resources and inherent strength.

Trend to Low Rate Policies

A significant feature of the new business procured by the companies during the past few years has been a consistent fall in the average rate of premium, indicating a pronounced and growing trend towards so-called "cheaper" plans of assurance. In a measure, this is due to the desire of policyholders who were forced to sacrifice the whole or part of their life assurance during the depression years to restore it to its former level, at as small an outlay as possible. There can be no doubt, however, that the trend goes farther than this, and that low-rate policies, providing correspondingly limited benefits, are being favoured in the belief that the difference in outlay represents a saving to the policyholder.

It is perhaps appropriate to point out that a saving in outlay involves a corresponding sacrifice of benefit. The outstanding service rendered by the companies during the past four years in the aid given to policyholders under the loan and non-forfeiture privileges of their policies, cannot be too strongly emphasized. These payments have been made possible only because substantial equities had been accumulated under individual policies, and it seems anomalous that, with the experience of the recent past before them, the public should be favouring policies which carry lower reserves, and correspondingly reduced margins from which to meet the emergencies of the future.

The same trend is to be observed in the increasing number of applications for the replacement, by lower-rate plans, of policies requiring substantial premiums, particularly those upon which loans have been made. Almost without exception changes of this kind involve the assured in loss. The practice should be discouraged as essentially uneconomical, and destructive in its tendency.

Value of Life Contract

The broad social problem of providing means for the alleviation of some of the distresses to which so large a proportion of mankind is exposed, has been acutely emphasized by the depression. It perhaps is not fully realized that the diversified services of modern life assurance afford the means of providing against many of these hazards. In our own Company we have nearly a million policyholders, and the contracts they hold provide for benefits which will reach many millions more. The large aggregate payments occasioned year by year by the death of policyholders provide the means by which dependents can be sustained and children educated. Even greater amounts reach living policyholders in the form of provision for old age, and aid in emergencies. These are notable contributions towards the preservation of homes, the avoidance of indigence, and protection against dependency. The annual payment of $8,500,000 to our annuitants is in effect a vast payroll, which will not fail those whose names are upon it. Increasing numbers of employees, in co-operation with their employers, are being provided with pensions on retirement through facilities offered by our Company. Many thousands of men and women are providing for a monthly income in old age, by contributions made during their working years; many are already receiving these allowances. Group assurance policies, paid for by joint contributions of employers and employed, are giving many humble workers an assurance that in case of premature death their dependents will not be destitute. Through every variation of economic experience these vital services have been, and will be, carried on without cessation, and without delay. A broader appreciation that the remedy for many social ills is already available, should lead to an ever-increasing demand for the services the life assurance companies are equipped to render.

May I, in conclusion, add to the expression of appreciation of the Directors my own acknowledgment of the loyalty and devotion of our field and office forces during the past year. Everyone connected with the Company may take pride, not only in its record of service to the public, extending now over some sixty-three years, but also in its ability to extend its services with the enlarging opportunities of the future. The signs of business improvement that are everywhere apparent are such as to inspire a soundly-based optimism, and warrant the belief that an increasing measure of success and prosperity lies ahead for all.

I have much pleasure in seconding the motion for the adoption of the Report.

Easy Washing Machine Capital is Revamped

Shareholders of Easy Washing Machine Co. have approved the sale of the company to a new company with the same name. Holders of the preferred stock of the old company will receive two shares of new preferred stock of $10 par value and five common shares of the new company for each share of old preferred stock held. Common shareholders will receive one share of new no par value common stock for each five shares held of the old common stock. Preferred shareholders agreed to the wiping out of arrears of dividends on the preferred stock of the old company.

After giving effect to the reorganization the new company will have outstanding $79,500 of 7 per cent cumulative preferred shares with a par value of $10 and 27,582 shares of no par value common stock. The company has an authorized capital of $80,000 of preferred stock and 40,000 shares of common stock. Dividends on the new preferred stock will be cumulative from July 1, 1935, and the shares will be redeemable at $11 per share at the option of the company.

CAPITAL TRUST EARNINGS HIGHER LIQUID RATIO UP

Volume of Business Increased While Deposits Were Maintained

Capital Trust Corp., Ottawa, had increase in net profit to $49,149 in 1933 from $47,076 in 1932 and earned 5.57 per cent on paid-up capital of $881,598, subject to provision for Federal and provincial taxes and depreciation on furniture and fixtures. General reserve was increased by $10,000 to $78,000. Dividends were paid at the rate of 4 per cent and profit and loss account was reduced to $42,520 from $45,898.

The volume of business in estates, trusts and agency account was increased to $10,942,140 from $10,616,503. Trust savings accounts were practically unchanged at $1,841,512 while guaranteed trust certificates outstanding dropped to $3,593,204 from $3,666,201.

Liquidity Better

Quick liquid assets, consisting of cash, Government bonds and demand loans, equalled 80.29 per cent of demand deposits as compared with a ratio of 77.05 per cent at the end of 1932. The company has a total of $106,018 in cash and $1,262,006 in Government and provincial bonds, which had a market value of $1,235,685 at the end of 1933. Mortgages in guaranteed trust account are down to $3,991,470 from $4,142,016 and interest due and accrued is up to $109,299 from $88,705.

Earnings Record

Year	Paid-up Capital	Net Profits*	Div. Rate	Rate Earned per sh.†
	$	$	$	$
1928	668,706	51,854	5	8.26
1929	703,056	54,838	5	8.20
1930	731,182	57,585	5	8.00
1931	871,835	69,253	5	8.50
1932	879,241	47,076	5	5.37
1933	881,598	49,149	4	5.57

†On average capital.

*After deducting management expenses and taxes, but before deducting amount for tax reserve and amount written off equipment, etc.

Year	Guar. Account	Estates under Adminis.	Total Reserves
	$	$	$
1928	4,134,649	7,001,719	80,000
1929	4,711,058	8,470,828	120,000
1930	5,146,249	9,138,215	135,000
1931	5,524,615	9,527,228	155,000
1932	5,510,230	10,616,502	68,000
1933	5,434,715	10,942,139	78,000

REAL ESTATE LOAN ADDS TO RESERVES

Real Estate Held is Up; Small Drop in Debentures Outstanding

Real Estate Loan Co. of Canada, Toronto, had income of $106,277 in 1933 as compared with $113,551 in 1932. After deducting operating charges which included increase in cost of management, and increase in real estate expenses in excess of revenue, the company earned 6.52 per cent. Rest fund was reduced by $15,000 to $295,000 and another $10,000 was appropriated out of 1933 surplus and applied to real estate reserve.

Sterling debentures outstanding dropped to $708,927 from $718,584 and currency debentures to $84,335 from $92,108. Total liabilities to the public are down to $803,424 from $816,598 which includes accrued interest on debentures, open accounts and provision for accrued taxes.

Cash is up to $23,392 from $7,876; Dominion of Canada bonds remain unchanged at $16,084; stocks and municipal bonds are down slightly at $54,338. Loans on mortgages and agreements of sale are down to $1,325,886 from $1,463,911; interest due and accrued is down to $43,871 from $44,596 and real estate held for sale is carried at $146,146 after deducting real estate reserve of $27,107. In 1932 real estate was shown at $46,655.

Record of the company in the past six years has been as follows:

Earnings Record

Year	Paid-up Capital	Net Profits	Div. Rate	Rate Earned per sh.
	$	$	$	$
1928	500,000	41,321	7	8.26
1929	500,000	41,405	7	8.28
1930	500,000	44,423	7	8.88
1931	500,000	38,802	7	7.76
1932	500,000	44,081	7	8.81
1933	500,000	32,640	5	6.52

Year	Total Assets	Reserve Funds	Liab. to Public
	$	$	$
1928	1,612,857	300,000	786,846
1929	1,609,390	300,000	770,303
1930	1,640,362	310,000	805,377
1931	1,647,992	310,000	815,886
1932	1,649,099	310,000	816,598
1933	1,613,529	295,000	803,424

Maritime Trust Declares Dividend of 3 Per Cent

Increase in gross profit is reported for Maritime Trust Co. during 1933 as well as an increase in net profit after writing off the customary amount for depreciation. The company has total assets of $3,222,465, including estates, trusts and agency accounts. A dividend of 3 per cent has been declared payable March 1.

Investments of the company now amount to $145,395. Three new directors were added to the board at the annual meeting, John A. Reid, W. W. Boyce, Luke S. Morrison, all of Fredericton, N.B.

SIMON AND SONS EARNING POWER ON BETTER BASIS

Retire Small Block of Preferred Stock Last Year

From Our Own Correspondent

MONTREAL—H. Simon and Son, cigar manufacturers, report an improvement in earnings during 1933 compared with the preceding year, while the balance sheet reflects a general strengthening with liabilities lower and cash assets higher.

Although the volume of business available was relatively low, the company managed to increase its net operating income from $26,369 in 1932 to $42,491 in 1933. This gain in earning power is reflected in the recent action of the directors to pay off three quarterly dividends on the preferred stock on account of arrears.

Details of the income account for the past three years follow:

	1933	1932	1931
	$	$	$
Net op. profit ..	42,491	26,369	62,995
Pfd. red. prof. .	......	15,278	......
Total	42,491	41,647	62,995
Deprec. res.	5,456	12,849	12,394
Bad debt res. ..	8,663	8,829	9,558
Inc. tax res. ...	4,100	......	......
*Other res.	......	88,696	......
Balance	24,272	†68,726	41,043
Pfd. divs.	......	22,813	37,205
Balance	24,272	†91,539	3,838
Com. div.	......	......	75,125
Surplus	24,272	†91,539	†71,287
Prev. surp.	64,411	156,509	230,236
Balance	88,683	64,970	158,949
Adjust.	‡11,593	§559	§2,439
P. & L. Bal. ...	77,090	64,411	156,510

* Including $77,749 reserve for deprec. in value of inventories.

† Deficit.

‡ Deduction: surplus created through purchase and redemption of preferred stock for previous years. This amount was transferred to special surplus account as was an amount of $5,945 being surplus created through purchase and redemption of preferred stock for year.

§ Affecting prior years.

Working Capital Position

	1933	1932	1931
	$	$	$
Curr. assets ...	605,336	605,250	825,506
Curr. liabs. ...	28,612	49,419	154,302
Work. cap.	576,724	555,831	671,204

At the end of last year the company's balance sheet showed assets totalling $661,003, as against $664,692 at the close of the previous year. Current liabilities are lower, totalling only $28,612.

Preferred stock outstanding has been reduced to $449,500. This compares with $462,600 in 1932.

Among the current assets, the most notable change is a gain in call loans from $50,000 to $190,000. This is due in part to the liquidation of $49,790 of government bonds and a reduction in accounts receivable.

Inventories are about $60,000 lower at $228,681. Fixed asset values have been reduced to the round figure of $50,000, down from $55,138 at the close on 1932. In this connection the president points out that this figure represents a very conservative valuation of plant and equipment

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BUILD. PRODUCTS INCOME IN 1933 GAINS SLIGHTLY

From Our Own Correspondent

MONTREAL. — Moderate improvement in earning power and continuance of an exceptionally strong liquid position are featured in the 1933 financial statement of Building Products compared with that of the previous year.

The value of new construction work undertaken last year was at the lowest level since 1915, while the value of building permits declined 26 per cent from the 1932 figure. Consequently the company's sales were somewhat less in 1933 than in 1932. Expenses were reduced, however, enabling the company to make a somewhat better showing.

Profit from operations, after making provision of $125,574 for depreciation, totalled $25,462. This compared with $9,068 in the previous year. Full particulars of the income account for the past three years follow:

	1933	1932	1931
	$	$	$
Net prof. ...	25,462	9,068	263,820
Divid.	120,846	163,142	241,692
Balance	*95,384	*154,074	22,128
From res. ..	......	87,413	......
Balance	*95,384	*66,661	22,128
Bad debts ..	......	30,000	......
Surplus	*95,384	*96,661	22,128
Prev. surp.	860,117	956,777	934,649
P. & L. Bal.	764,733	860,116	956,777

* Deficit.

Working Capital Position

	1933	1932	1931
	$	$	$
Curr. assets	1,910,149	1,937,174	1,997,950
Curr. liabs.	69,146	101,283	103,858
Work. cap.	1,841,002	1,835,891	1,894,092

At the end of last year the balance sheet continued to reflect a very strong liquid position. Current liabilities amounted to only $69,146, against which the company had current assets of $1,910,148.

AN ALL-CANADIAN INSTITUTION

1866 1934

"We would respectfully ask your support for the enterprise in which we have embarked, as one that proposes good to the country, as well in the advancement of Art as in the encouragement of Home Industry. Long and intimate practical experience as Artists and Owners in similar Companies establishes our competency, and the patronage of the Government of Canada in the execution of Provincial Notes, Stamps, Bonds, etc., endorses our responsibility."

—Extract from circular letter issued by this Company, January 1, 1870.

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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Dollar Devaluation Helpful to Canada

Aids Mines and Perhaps Trade; World Currencies Disturbed

By DR. GAINES T. CARTINHOUR
School of Commerce, Accounts and Finance, New York University

NEW YORK—Devaluation of the United States dollar may be considered to be one of the outstanding financial developments of the present century and is expected to influence monetary affairs throughout the world. The Gold Reserve Act of 1934 (together with President Roosevelt's proclamation accompanying it) has given the U. S. a new monetary unit and a new currency system.

The first effect upon Canada of this development is that the monthly flow of your new gold production has been diverted to New York because of the $35 per ounce bid. This high price has acted like a magnet upon the gold supplies in France, Holland, England, and even India. The Canadian monthly shipment is about $5,000,000 (Canadian dollars). The $35 per ounce price is equal to about 140s. with a $5 sterling rate in the London market. Since this rate went into effect, an $80,000,000 total of imports has come to the U. S., with indications of further rapid increases. The current price means an average of $6.50 more an ounce to Canadian mines than was received last year.

Three Chief Results

There have been three outstanding results of the gold rush to the U. S.

(1) The dollar has been very strong in foreign exchange and stayed above the 59.06 figure;

(2) The open gold market in London has risen rapidly; and

(3) There has been great pressure on the French franc.

The current movements of gold and exchange are disturbing the whole world.

If commodity prices rise or trade is accelerated in the United States, it will mean better business in Canada, in addition to the benefit already accruing to the gold mines. There probably would be a heavy demand for raw materials which Canada could supply, such as pulp and paper and copper. The exchange between the two countries will be affected by the gold movements but no violent fluctuations are likely.

The $10,000,000,000 of so-called free currency which has been moving back and forth between various countries is beginning to return to the U. S., and will find its way into securities, or as deposits in commercial banks. Another practical effect of the devaluation may be the stimulation of exports although this will not be brought about unless the dollar in the foreign exchange market drops to the rate fixed by President Roosevelt. Devaluation, however, cannot bring about a lasting increase in foreign trade for a country like the U. S. because other countries can also devaluate or raise additional tariff barriers.

It is believed England will soon set a definite value for the pound in terms of gold. Unless she does so, in addition to other losses, she stands to lose considerable banking business to the U. S. It is quite likely certain importers and exporters now feel that the dollar is relatively stable, whereas fluctuations in pound might react to their disadvantage.

Expect Franc Devaluation

Wall Street regards franc devaluation as inevitable. Elsewhere it is believed France will have to take action only if Great Britain attempts to devalue the pound against the franc. The Roosevelt administration, of course, points out that its preference is co-operation at all times. Not only foreigners but her own people are inclined to be fearful of the French franc and the foreign exchange soundness of the country's finances. It is possible that the French may adjust themselves to the new situation by devaluing the franc without suspending gold payments or putting an embargo on gold exports.

The world is undoubtedly entering a very interesting period in the history of international money, and the next few months will indicate clearly whether or not other nations will follow in the footsteps of the United States. At present it looks very much as if they will have to follow—at least part of the way—because it is not a question of desire but of ability. For France a 10 to 20 per cent devaluation, following that of 80 per cent in 1928, seems logical. England will be very cautious and likely try to go along midway between Roosevelt's plans and the wishes of France and the other gold bloc nations (Holland, Belgium, and Switzerland).

Canada has a close economic relationship with the U. S. and will probably devalue, when the time seems apropos, at approximately the same level. As more than 60 per cent of the Dominion's gold is already held by the government, an immediate profit can be taken. The general policy of all for at least a few weeks will be watchful waiting, observing developments in the U. S.

Wall St. Wants Stability

Wall Street desires stability and not a currency war. It is reported there have already been some discussions of a tie-up of the dollar and the pound, to be made effective after observing the first results of devaluation. A war between the stabilization funds of these two great countries would not only be foolish but actually harmful to trade. Any agreement that may be worked out on the stabilization problem would immediately benefit international trade.

As a result of U. S. devaluation, at least a basis has been determined on which business, but particularly the import and export trade, can figure. It is doubtful if there are any thoughts along the line of further devaluation in Washington at the present time, but of course President Roosevelt has the authority to make any additional changes that may be necessary. One thing is unquestionably clear and that is that the gold standard is the best of all and that sooner or later the nations must come back to it. It should be clearly understood that the U. S. has not returned to the gold standard proper. It can scarcely be said that a country is on any kind of a gold standard when gold is obtainable only at the discretion of the secretary of the treasury, and the president has the right to make any changes that may be necessary. Nevertheless, the U. S. is on its way back to a real gold standard.

Reserve Banks Weakened

The Gold Reserve Act and other recent legislation and enactments have had a serious effect on the Federal Reserve banks, decreasing their powers in the fields in which a central bank usually operates, except in the so-called government field. The U. S. Treasury does not intend to undermine the powers of the reserve banks but the fact remains that it is supplanting them in the exercise of their principal functions. It is impossible to go into detail on this important subject because of space limitations but several outstanding changes will be briefly mentioned. In the first place, the reserve cannot provide the U. S. with the same kind of currency; (2) its function as the chief gold depository of the nation has been permanently destroyed; (3) its ability to control the money market through changes in the discount rate and open market operations is nearly a thing of the past; and (4) control of all foreign financial relations has come under the jurisdiction of the treasury. While rediscounts can still be granted, they have been exceedingly small for some time.

Fiscal needs and the monetary policy of the government are the most important factors. The operations of the treasury are dominating the situation. In all probability, the reserve banks will soon be nothing more than the fiscal agency of the government, very much like the first and second banks of the United States.

LONDON & WEST. PROFIT IS 1.5 P.C. ASSETS REDUCED

Reserves Stated to Be Sufficient to Cover Drop in Values

London & Western Trusts Co. had net earnings of $23,932 in 1933, and, after deducting reserve for income taxes, earned 1.5 per cent on paid up capital of $1,214,225. In 1932 the company earned 4.4 per cent on capital. In order to strengthen liquid position no dividends were declared during the year. In 1933 branch offices in Saskatoon and Calgary were closed and administration of capital assets was transferred to Winnipeg office. The company shows a decrease of $3,976,324 in assets under administration, which now total $40,161,125. Most of this decrease is stated to be due to closing of the two western offices.

Estates, trusts and agency account is down to $35,693,183 from $39,344,128. Guaranteed funds are down to $2,031,480 from $2,767,648. Included in this total is $2,361,761 of funds held for investment, down from $2,727,099, while amount owing to capital funds is up to $74,702 from $40,550.

All assets in guaranteed funds account show some reduction. Cash is down to $57,661 from $63,103; bonds and debentures are down to $276,847 from $330,917; loans on stocks and bonds are down to $316,241 from $445,757 and mortgages to $1,775,366 from $1,927,871. In addition there is a new item of $10,342 for real estate.

In capital account, cash is up to $59,874 from $17,332; bonds and debentures show small change at $23,041; loans on stocks and bonds are down to $121,161 from $165,608 and mortgages and agreements of sale are up to $478,230 from $427,289. Real estate held for sale, less mortgages payable, is up $759,681 from $688,839 and includes certain parcels set aside to provide for contingent liability assumed on purchase of Standard Trust Co. business. Included in capital assets are advances of $342,723 made to estates and trusts and $74,702 owing from guaranteed funds. It is stated that reserves set aside in the past have been sufficient to take care of diminishing values.

Record of the company for the past six years is as follows:

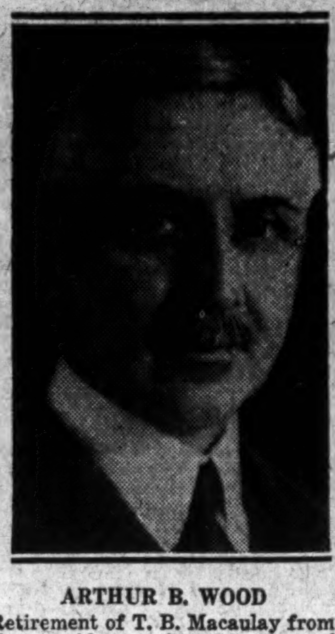
Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh.† $
1928	500,000	86,958	8	17.3
1929	999,475	102,033	9	13.4
1930	1,174,210	81,206	9	7.0
1931	1,181,020	108,372	8½	9.2
1932	1,214,226	49,143	6½	4.4
1933	1,214,226	19,332	.	*1.5

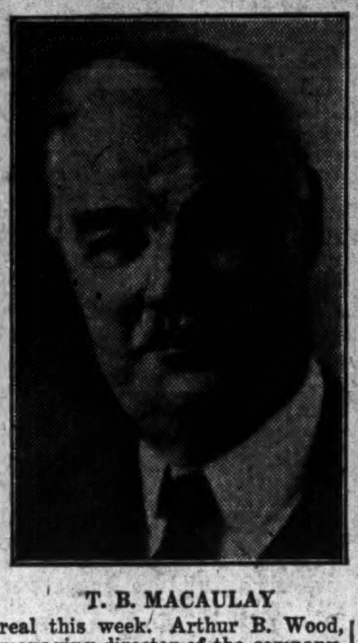
†On average capital. *On paid-up capital. *After deducting expenses of management, taxes, etc. Also income tax reserve amounting to $4,600 in 1933; $9,500 in 1932; $13,200 in 1931; $10,759 in 1930 and $8,800 in 1929.

Year	Guar. Account $	Estates under Adminis. $	Total Reserve $
1928	......	32,304,221	425,000
1929	......	34,669,758	949,475
1930	1,008,900	39,049,618	849,210
1931	2,747,867	38,771,378	866,020
1932	2,767,649	39,344,128	400,015
1933	2,436,462	35,693,182	400,015

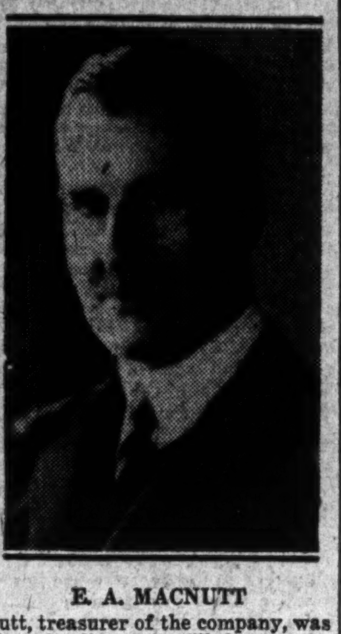
Sun Life of Canada Makes Executive Changes



ARTHUR B. WOOD



T. B. MACAULAY



E. A. MACNUTT

Retirement of T. B. Macaulay from the presidency after 56 years of service to the company was announced by Sun Life following the company's annual meeting in Montreal this week. Arthur B. Wood, managing director of the company, becomes president, while Mr. Macaulay is elevated to the position of chairman of the board. E. A. Macnutt, treasurer of the company, was elected a director to fill the vacancy caused by the retirement of James C. Tory, and is the new vice-president, succeeding

Arthur Wood Promoted To Sun Life Presidency

T. B. Macaulay Becomes Chairman of the Board — E. A. Macnutt Now Director and Vice-President

Elevation of Arthur B. Wood to the office of president of the Sun Life Assurance Co. of Canada was approved at a meeting of the directors following the sixty-third annual meeting of the Sun Life Assurance Co. at Montreal this week. T. B. Macaulay who has been president since the death of his father, Robertson Macaulay, in 1924, becomes chairman of the board.

E. A. Macnutt, treasurer of the company, was elected to the board of directors, replacing Hon. J. C. Tory, of Halifax, who declined reelection owing to ill health. E. A. Macnutt was elected vice-president. Mr. Wood, who has been vice-president since 1923, and managing director since 1932, retains the office of managing director.

Internationally-Known Actuary

Arthur B. Wood, B.A., F.I.A., F.A.S., F.A.I.A., F.C.A.S., is recognized as one of the leading actuaries on the American continent, having received the highest honor in the actuarial profession when he was elected president of the Actuarial Society of America, serving in that office for two terms.

Mr. Wood was born in Knowlton, Que., on October 28, 1870, was educated at Knowlton Academy, St. Johns High School, and graduated from McGill University with the degree of B.A. and winning the gold medal for mathematics. He was appointed chief clerk, actuarial department of the Sun Life in 1893; was made assistant actuary of the company in 1900; actuary in 1908; and vice-president and actuary in 1923; in February 1932 he became vice-president and managing director.

Mr. Wood holds the following degrees; Fellow, Institute of Actuaries of Great Britain (F.I.A.) by examination; Fellow, Actuarial Society of America (F.A.S.) by examination; Fellow, American Institute of Actuaries (F.A.I.A.) by election; Fellow, Casualty Actuarial Society (F.C.A.S.) by election. He was elected president of the Canadian Life Officers' Association 1923-24, and president of the Actuarial Society of America 1924-26.

GAIN IN ASSETS FOR SUN LIFE SHOWN IN 1933

Economies and Savings Aid in Strengthening Position

An increase in assets and a greatly improved margin of income over disbursement were reported for 1933 in the 63rd annual report of Sun Life Assurance Co. of Canada. Dividend requirements for policyholders were more than earned, while mortality was reported as very favorable and expenses of management were cut by $1,154,000.

New business paid for totalled $216,000,000, a decline of 24 per cent from the corresponding total of 1932. This figure includes only business on which the first premium has been fully paid in cash; revivals have been excluded and reassurances deducted. The company reports that most of the falling off in business occurred in the early months of the year and that consistent increases appeared in later months.

Total business in force at the end of the year is lower by 5 per cent at $2,770,000,000. An important factor in this reduction is the increase in surrenders, which according to A. B. Wood, managing director of the company, is "a natural consequence of the abnormal demand for policy loans during the past few years." In spite of the increase in surrenders, the company reports that its relatively favorable record for persistency of business was maintained and that revivals and reinstatements of policies which had been cancelled amounted to a substantial figure. Of total business in force, the company reports that 30 per cent originated in Canada, while the British Empire as a whole contributed 46 per cent, the United States 43 per cent and other countries 11 per cent.

Annuity Income Soars

The company reports a substantial increase in annuity underwriting for 1933. Cash received as purchase price of annuities totalled over $13,000,000, compared with $8,140,000 a year ago. Particular mention is made of the large increase in applications for annuities of small amounts, the average purchase price of the contracts sold during 1933 being $3,200.

Total income is slightly below $152,000,000 with excess of income over disbursements at almost $25,000,000, as compared with $13,000,000 a year ago. A favorable mortality rate; reduction of dividend payments to policyholders and savings in expenses more than offset increased payment in respect of cash surrender values. The principal saving was in dividends to policyholders, which were $16,000,000, as compared with $22,000,000 a year ago.

Assets Increase

Total assets are higher by $14,000,000, the most important change being a substantial increase in holding of government and other bonds, while cash in banks and on hand is higher by $18,000,000 as compared with $5,500,000 a year ago. Surplus earned was sufficient to afford a good margin over dividend requirements to policyholders and the sum of $7,600,000 was applied to writing down values at which securities are carried in the statement. Policy reserves were maintained at the same standard as a year ago, while free surplus over and above liabilities and capital stock shows little change at $5,952,000. In addition, the company holds a reserve for depreciation in mortgages and real estate of $4,886,000, bringing total reserves and surplus (including capital stock and balance of shareholders account) up to $14,180,000, which is within a few thousand dollars of the corresponding figure a year ago. Comparative figures for the past two years follow:

	1933 $	1932 $
New Business		
New ins. pd. for	216,567,442	284,099,000
Bus. in force ...	2,770,454,000	2,923,952,000
Annuity receipts	12,933,563	8,140,000
Income & Disbursements		
Net prem. inc.†	116,911,689	123,837,000
Int., divds., etc.	23,856,219	24,021,000
Total income ...	152,236,800	161,407,000
Policy Payments:		
Death claims ..	24,134,268	25,803,000
Dividends	16,487,000	22,221,000
Surr. values ..	31,594,337	26,317,000
Total	97,457,000	108,527,000
Excess*	24,720,000	13,881,000
Assets & Liabilities		
Total Assets: ..	624,146,000	611,436,153
Bonds	116,009,000	107,861,811
Stocks:		
Common	287,259,477	292,450,000
Preferred	17,960,555	19,599,000
Policy loans ..	100,981,390	99,476,000
Mortgages ...	28,841,191	29,894,000
Policy reserves	532,958,545	515,281,000
Mtge. reserve .	4,885,904	4,781,000
Free surplus ..	5,951,752	5,998,000

*Of income over disbursement.
† Including annuity receipts.

Need Court Order To Make Transfer of Abitibi Shares

Transfer of shares of a bankrupt company cannot be made except with consent of the proper court under the Winding-Up Act. This problem has arisen in the case of Abitibi common shares, which holders have found they cannot transfer except under payment for a court order at a minimum cost of $40. This amount itself would be sufficient to purchase about 20 shares of Abitibi stock.

Because of this high cost and inconvenience, shareholders have been advised not to make the transfers of shares. The custodian, F. C. Clarkson, has been listing addresses of unregistered shareholders so that any notices may be sent to them. Stock brokers, it is understood, have not been making transfers of shares, but have been able to sub-divide certificates without court orders, as long as there is no change in the name of registry.

In the case of Abitibi, if it comes to a question of voting, on some proposal regarding the company, shareholders owning stock registered in the name of others will have to get proxies from the registered owners delegating voting powers to the actual possessors. If this cannot be obtained, and the matter is considered sufficiently important, shareholders may find it necessary to register their stock. However, it is believed that the custodian may be able to make some other more convenient and less costly arrangement, if it is necessary.

DOM. FOUNDRIES SALES UP 33 P.C., BOOSTING PROFITS

Price Levels Still Low—Working Capital Gains Dividends Not Earned

Even though Dominion Foundries and Steel sold its products at low prices during 1933, an improvement of about 33 per cent in total sales enabled it to make net earnings of $243,570 as compared with $58,377 in 1932. The company was thus able to increase its depreciation write-off from $50,000 to $198,800 and to carry surplus after all deductions from $743,291 to $775,853.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1933 $	1932 $
Net earnings	243,570	*58,377
Less: Depreciation ...	198,800	50,000
Bond interest	6,871	7,499
Reserve for taxes ...	5,337	......
Net profit	32,562	878
Less appropriations:		
Preferred dividends.	......	43,194
Surplus for year	32,562	†42,316
Add: Previous surplus	743,291	787,807
Less: Inc. tax adj. prior yr.	......	2,200
Bal. car. forward	775,853	743,291

†Deficit. *Including $293 profit on sale of securities.

Not Enough for Dividends

The net profit of $32,562 was not sufficient to permit the company to pay dividends on 7,199 8 per cent cumulative preference shares, let alone on 29,981 common shares. The cumulative preference dividends have been paid to June 1, 1923, plus 3½ per cent on account of subsequent periods. The results for the year, according to C. W. Sherman, President, were made possible by economies, lowered salaries and costs. The increase in business enabled the company to keep 500 employees in part-time employ. The company improved its working capital position and maintained its properties in a good state of repair.

"During the first months of the year," continued Mr. Sherman, "we were confronted with extreme depression and competition from debased currency countries that caused us temporarily to suspend the 6 per cent preferred dividend paid during last year, and the currency debacle of the United States followed, but we are glad to report that recovery set in during the latter months

Heavy Steel Demand Lags

"We point out that the records of heavy steels used by Canada, such as plates and the associate heavy shapes, are about one-quarter the total tonnages imported in good years, and that such larger construction, requiring heavy steel, still lags, while lighter steels are in fair demand. We may be confronted with minor improvements for diverting our plate steels to lighter steels and while studies and plans have been made for doing this we have been withholding such expenditure pending more substantial betterment of overhead conditions, and to our relief from further expenditure.

Working Capital Gains

Working capital is improved as shown by the following table:

WORKING CAPITAL

	1933 $	1932 $
Current assets	686,963	471,453
Current liabilities	133,583	94,862
Working capital	553,380	376,591
Ratio	5.14—1	4.97—1

The increase in current assets from $471,453 to $686,963 is made up in the main by net result of the following items: accounts receivable up from $144,467 to $164,468, less reserve for doubtful accounts; inventories up from $299,355 to $441,755; cash down from $76,627 to $56,407; and Dominion of Canada bonds at $24,333 showing little change.

The increase in current liabilities from $94,862 to $133,583 is mainly accounted for by increase in accounts and bills payable from $80,958 to $93,207 and in accrued wages and salaries from $28,654 to $33,021. The reserve for income tax dropped from $14,252 to $4,725.

Depreciated value of land, buildings, plant and equipment is shown at $2,972,448 and the investment in Adirondack Steel Foundries Corporation is shown at $232,044. No statement of the subsidiary, Adirondack Steel Foundries Corp., has been published since 1928. Its total assets at that time were shown at $862,998 against which there were current liabilities of $243,571.

Equities in Tangibles

The company has a total authorized issue of $2,000,000 in first mortgage 7 per cent bonds due February 1, 1937. The amount certified outstanding by the trustee is $1,882,000 but of this $1,793,500 is held by the company and its bankers, leaving $88,500 principal and interest accrued of $2,581 outstanding. In a note to this item it is stated that the payments accruing to the sinking fund for the past 8 years have not been made in view of the small amount of bonds in the hands of the public. This $91,081 in outstanding bonds and accrued interest is covered 6 times by the working capital of $553,380 leaving $462,299 of net current assets and $2,972,448 of depreciated fixed assets to apply against $719,900 of 8 per cent cumulative preference shares and $575,920 of deferred preference dividends.

BENNETT TALK ON STOCK MARTS AWAKENS FEAR

Pres. Roosevelt's Similar Remarks Were Followed by Action

RIGID RULES BAD

Would Cut Business in Half — Intelligent Analysis by Dickinson Committee

Premier Bennett's recent references in a Toronto speech to the desirability of curbing excessive speculation on the stock market are so much in the vein of President Roosevelt's message to Congress assailing the use of the exchanges for "purely speculative operations," which was coincident with the introduction of a drastic bill in the United States Senate by Senator Fletcher, Democratic chairman of the Senate Banking and Currency Committee, that Canadian traders are wondering whether legislation of like import is being considered here. In Wall Street brokers are saying that the Fetcher bill would introduce so much supervision and restriction of exchanges as to destroy a large part of the exchange business and impair the usefulness of the institutions. It is noted that President Roosevelt has not given actual approval or disapproval to the Fletcher bill as yet.

The main objection in Wall Street is that the Fletcher bill would make it impossible to maintain a thoroughly liquid market. The proposed outlawing of pools, the jacking up of margins to a 60 per cent basis, the prohibition of short selling except as permitted by the Federal Trade Commission would, it is contended, cut the business of the New York Stock Exchange in half. Liquidation of securities in alarming volume would be necessary at the outset.

The New York Stock Exchange has vigorously protested from time to time against "amateur" regulation from outside the exchange, claiming with some appearance of justice that its own disciplinary measures and trading regulations have been timely, well-considered and effective where interference was justified at all. It has hitherto been a lap or two in advance of Congress in its internal legislation and has been extraordinarily sensitive to changes in public opinion. Losses of investors in 1930 and 1931 and recent revelations at the Senate banking committee have created a demand for regulation of every bit of financial machinery.

As expected, the Fletcher bill is much more stringent than the Dickinson committee report prepared under the auspices of the United States Secretary of Commerce for the information of the Senate Committee when framing its bill.

The committee report is a decidedly intelligent one. As it started out with the feeling that it had "an imperative obligation to devise constructive measures for the prevention of those practices which have shocked the conscience of the nation," it is rather significant that its report recognizes that "rigid controls might prove worse than useless" and that only the flexible mechanism of a Federal Stock Exchange authority could hope to meet situations adequately as they might develop.

Cannot Legislate Against Unknown

The committee points out, and this is as true in Canada and elsewhere in the world as in the United States, that "stock exchanges do not present a static situation susceptible to fixed standards. On the contrary, it is a highly dynamic ever-changing picture, subject to untold and unknown possibilities and combinations that are today unpredictable. The thing to be avoided is the placing of this complex and important mechanism in a strait-jacket."

While it is felt that the law may lay down rules for guidance of stock exchange practice to curb known evils, it is felt by the committee that a mechanism should be created which will study the situation at first hand, collect all necessary information, have the power to act on a policy developed as a result of this study and flexible enough to permit meeting of situations, both specific and general, as they are disclosed or develop. The committee specially states that it is not proposed that the Government should so dominate exchanges as to deprive them of initiative and responsibility but yet to provide authority to move quickly and to the point when the necessity arises.

It may be interjected here that a certain close relationship has already been established in Canada between stock exchanges and securities commissioners or attorneys-general. Recent reforms in Canada of stock exchange organization and procedure have come from the exchanges which know the technique of the business, while public authorities have been kept fully informed.

Pool Regulation Difficult

The U. S. committee recognizes that the problems of the stock exchange cannot be divorced from the handling of bank credit, from changes made in various securities acts, from various developments in corporation finance, and that to be effective a federal authority would have to be in the highest degree effective, non-political, able to act rapidly and at the same time so constituted as to place responsibility to the fullest extent possible on the private bodies now handling the work of security exchanges. It is also pointed out that proper supervision would need men of known capability in this field and that the authority should have representatives of exchanges on it so that technical information would always be available.

Rigid regulation with regard to "pools," the committee points out, is difficult because pools are of different kinds and are conducted for different purposes and for different results. The speculative pool for the purpose of "rigging" the market to the detriment of the public and unduly enhancing the price of a security in order that members of the pool may profit, is cited as the chief evil. But there are many distribution or syndicate pools which, when honestly conducted, create an orderly market for securities during the period of distribution of a new issue. Many experts regard it as legitimate and indeed indispensable to permit certain joint accounts or syndicate operations in such cases.

Making "Pool" Data Public

An example cited is where a firm decides to issue securities to meet a maturing issue of $5,000,000. It sells at 97 to underwriters who offer the new securities to the public at 100. If the new securities were all sold at once the price would sag and so the underwriters support the market until securities are all sold. It is stated that no underwriter would take a chance on securities if orderly trading of this kind were not permitted.

The difficulty comes in distinguishing between pools which serve a legitimate and worth-while function and those which are a definite social menace. It is recognized also that many pools of an illegitimate speculative character are conducted off the regular exchanges and that too sweeping changes in pool laws might drive them into unorganized markets where they could not be regulated. It is suggested that pool agreements should be deposited with exchange authorities and that quoted stocks should have some distinguishing character to show that pools are operating in them.

The committee suggests that, in line with exchange rulings, "wash sales" and "matched orders" should be absolutely prohibited.

Limiting Trading in Margin

The committee believes that it is desirable to curb excessive speculation and that therefore one of the principal points of attack must be the restriction within sound limits of margin trading. It suggests as well that specialists should be prohibited from joining any pool, joint account or syndicate or trading in a security in which they are specialists, and that each should always state whether any "bid" or "offered" price is for himself or another.

As to "short selling" it is suggested that the new exchange authority should have the power in times of grave stress to suspend short selling, acting in co-operation with governor of the federal reserve board.

Suggestions that companies should provide audited annual statements and quarterly reports, are in line with stock exchange desires. The requirement to have directors and officers of companies file statements of their transactions in their own stocks is drastic. It is recommended that customers men should be paid fixed salaries and not participate in pools. Each would be forbidden to recommend securities in which his firm had an interest without telling the clients the facts.

The searchlight of publicity would be the strongest weapon in the arsenal of the new authority.

Comment in United States financial press as to advisability of federal authority is varied. The Wall St. Journal believes it would work well under the first non-political authority and work worse and worse as succeeding administrators follow the inevitable path of commissions and appointed "authorities" by becoming more and more political and therefore harmful.

War on Waste

Saskatchewan's provincial telephone system had a deficit of $496,432 at April 30, 1933. The loss in the 1933 year was only $51,569, compared with $151,955 in the 1932 period.

The deficit and losses have accrued after allowance of approximately five per cent interest on the provincial investment of over $12,000,000 in the system. So the provincial telephones have earned most of their keep. However, the public accounts of the province do not indicate as clearly as do those of Alberta, for instance, the condition of reserves and equipment. The actual loss may be greater than that indicated because write-offs have been reduced, and may not be adequate.

Telephones, even in depression, are stable earners. Saskatchewan's agricultural misfortunes have made the territory less productive of revenue. However, most commercial telephone systems have been earning bond interest with a substantial margin, and many have continued to earn dividends as well. The lesson in Saskatchewan's telephone experience is that the province has lost money by operating a public utility that might better have been in private hands.

Architects Building Mortgage Money Paid

From Our Own Correspondent

MONTREAL. — Notice has been given by the Montreal Trust Co., as trustee, that under the terms of the reorganization plan for Architects Building Corp., the sum of $525,000 has been received. This money will be distributed to the holders of the 6 per cent first (closed) 15-year mortgage bonds in the ratio of $375 for each $500 principal amount of bonds outstanding. In return for this settlement the bondholders release the company from all liability under the trust deed securing the bonds, as well as waiving all arrears of interest.

Robb Engineering Works Secures Large Contract

From Our Own Correspondent

MONTREAL.—Robb Engineering Works, a subsidiary of Dominion Bridge Co., shares with the J. W. Cummings Mfg. Co. the $1,053,000 contract for the erection of sheds on the Halifax Harbor Commissioners' Pier B.

The contractors will pay the entire cost of construction as the work proceeds and once completed and accepted by the Harbor Commission engineers, payment will be made in Commission debentures maturing in three years, bearing interest at 3 per cent.

MASSEY-HARRIS CO. CUTS BANK LOANS BY TWO-THIRDS

Reduced Liabilities in 1933 By $4,784,772 — Operating Loss Lower

CASH FROM ABROAD

Higher Pound Sterling Permits Receipts of Some Foreign Balances — Agricultural Outlook Spotty

On a sales volume practically the same as in 1932, though 42 per cent less than in 1931, Massey-Harris Co. and subsidiary companies were able, according to the consolidated financial statement for the year ended November 30, 1933, to cut the net loss by $521,000 to $3,305,743, the operating loss by $367,000 and the bank loans by more than two-thirds, and to reduce inventories by nearly three million dollars after reserves and receivables by more than three million dollars after reserves.

Operating expenses have been reduced progressively in the last two years, but the very large reduction in amounts owing to banks results from the improvement in sterling expressed in terms of the Canadian dollar. This enabled the company to move to Canada large sums of money held abroad at the end of 1932, owing to adverse conditions of exchange. Total net reduction of liabilities in 1933 was $4,784,772.

INCOME AND SURPLUS ACCOUNT
Years Ended Nov. 30

	1933 $	1932 $
Loss from oper.	1,420,865	1,788,010
Less: Deprec.	502,344	621,120
Int. on loans	339,123	465,069
Bond int. & exp. ...	473,522	505,397
Pension fund	145,412	98,983
Bad debts	424,477	348,933
Net loss	3,305,743	3,827,512
Add: Prev. deficit ...	12,687,278	6,109,766
Contingencies	......	2,750,000
Bal. at debit forward .	15,993,021	12,687,278

More Districts Show Gain

The report to shareholders, signed by T. A. Russell, president, and B. W. Burtsell, vice-president, refers to the difficulty of appraising prospects of a company operating in so many fields as Massey-Harris because certain territories have shown an improvement during 1933 while others appear to be feeling the depression to a more marked degree than a year ago. The same condition is expected to apply to 1934 with the qualification that territories now showing improvement appear to be increasing in number.

The determining factors in Canada, they state, will be the extent of the cereal crops and the prices realized for them. Agricultural districts are getting definite improvement from the improved value of the pound sterling in Canadian dollars and the preferred position in British markets obtained by Canada as a result of the Ottawa conference.

Working Capital Sounder

Working capital account showed reductions in current assets and current liabilities but an improved ratio:

WORKING CAPITAL

	1933 $	1932 $
Current assets	26,055,507	33,804,623
Current liabilities	3,494,166	8,044,194
Working capital	22,561,341	25,760,429
Ratio	7.45—1	4.20—1

Cash Is Lower

Every main item contributed to the drop in current assets: cash down from $3,224,944 to $1,885,546, a better situation as it reflects transfer of cash assets from abroad where they were practically frozen owing to adverse exchange; investments in government and municipal bonds down from $532,790 to $94,201; bills and accounts receivable, less reserves, down from $16,937,137 to $13,689,492; inventories, after reserves, down from $13,109,750 to $10,386,269; and a note states that about $3,150,000 of these assets are in foreign countries which have placed certain restrictions on the export of funds.

The halving of current liabilities resulted mainly from reductions of secured bank loans and over-drafts from $6,328,160 to $2,017,762. Other items show reductions: bills and accounts payable from $625,801 to $600,542; commissions due agents and dealers, including deferred items, from $958,587 to $754,906; and reserve for taxes from $131,646 to $120,955.

The reserve for foreign exchange and contingencies dropped during the year from $1,436,902 to $948,730 and for pensions went up from $436,759 to $506,733.

Equities Still Large

The company has outstanding $8,700,000 in 5 per cent bonds due October 15, 1947, just as a year earlier, the sinking fund requirement due October 15, 1933, not being paid. The 5 per cent first mortgage 15 year bonds due September 1, 1940, assumed from J. I. Case Plow Works, Inc., were reduced during the year from $552,800 to $494,800. The total funded indebtedness of $9,194,000 is covered, after deduction of all write-offs and reserves, by $21,105,878 in net current assets.

There still remain $11,911,078 in current assets to apply against $12,089,900 5 per cent cumulative redeemable preferred stock of $100 par value and $1,964,609 of dividends deferred since the last payment to November 15, 1930, and the balance of $2,143,431 of preferred par value and accrued dividends not covered by net current assets would be covered more than thrice by $7,473,848, depreciated values of land, buildings and equipment, leaving $5,330,417 of fixed assets to apply against common stock.

The 729,408 no par value common shares are therefore shown by the balance sheet to have an equity of $7.31 a share in fixed assets and $4.48 a share in the shares of H. V. McKay Massey-Harris Pty, Ltd., and H. V. McKay Massey-Harris (Queensland), valued on the balance sheet at $3,265,533, or $11.79 in all.

Fifteen Millions in Reserves

The company's reserves are an interesting study at this time as shown by the following table:

Reserves on receivables	$3,282,762*	19.3%
Reserves on inventories	3,756,300	26.6%
Reserve for depreciation	6,503,481	46.5%
Exchange and contingencies ...	948,730	
Reserve for pensions	506,733	
Total	$14,997,916	

* $3,000,000 in accrued interest on receivables is not included.

The auditor's certificate is signed "subject to the adequacy of the reserves against receivables and inventories." With worse conditions they might prove inadequate but with better it might be found that they would be quite ample or even too large.

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DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 188

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1934, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st March next, to shareholders of record at the close of business on the 31st January, 1934. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 19th January, 1934.

Belding-Corticelli Limited

DIVIDEND No. 77

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 15th day of March to Shareholders of record at the close of business the 28th day of February, 1934.

By Order of the Board,

D. F. POLLOCK,
Secretary.

Imperial Oil Limited

IMPORTANT NOTICE

Notice is hereby given that on and after the first day of March, 1934, new Coupon Sheets will be issued to the holders of Bearer Share Warrants of this Company, upon surrender of the NUMBERED TALON attached to the bottom of the Share Warrant. This Talon should be detached from the Share Warrant Certificate, and forwarded by registered mail, insured, to the Office of the Secretary, 56 Church Street, Toronto, Ontario.

At the earliest date possible after the receipt of this Talon, new Coupon Sheets bearing the same Serial Number as the Certificate from which the Talon is detached, will be returned in exchange therefor.

By Order of the Board,

F. E. HOLBROOK,
Secretary.

56 Church Street, Toronto, Ont.

Wheat

From Our Grain Correspondent

THE downward tendency in wheat prices noted during the past week continued at the beginning of the current one. The aggregate loss was not large over the period but there was an evident softness throughout. May wheat closed on Tuesday at 67⅞ for a loss of 1⅝ cents in ten days. Chicago weakness had its effect on Winnipeg and lack of any sustained export demand aggravated conditions.

Weather conditions in the United States southwest are being closely watched at the present time. For a while there was evidence of Chicago selling of Winnipeg July wheat and transferring to United States wheat with the obvious hope that the United States would draw further away from the world price level. The Winnipeg market absorbed this selling wave at the beginning of last week without any great price decline. A recent threat of rain in the winter crop area was sufficient to send Chicago down 3 cents, however. The short interest having been built up at Winnipeg, that market was able to withstand this weakness.

Wheat Exports to the United Kingdom in January amounted to 4,971,107 bushels valued at $3,180,034 as compared with 9,587,195 bushels at $4,525,996 in January, 1933. During the six months of the present crop year the export of wheat to the United Kingdom has dropped considerably in quantity.

Flour Exports to the United Kingdom in January amounted to 240,047 barrels of the value of $777,831 compared with 156,998 barrels at $460,661 in January, 1933. During the six months of the crop year the export was 1,377,045 barrels at $4,861,460 compared with 1,227,612 barrels at $3,881,566 in the corresponding six months a year ago.

NOTICE

Montreal Tramways Company

ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with the By-laws of the Company, the Annual General Meeting of the Shareholders of Montreal Tramways Company, will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, at 12 o'clock noon, on Monday, the 12th March, 1934. This meeting will be held for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said Meeting.

The meeting will be convened as called, and immediately adjourned until Thursday, the 26th April, 1934, at the same time and place.

The Shareholders are hereby and will further be requested at the said Meeting to ratify amendments to the Company's By-laws heretofore enacted by the Directors, as follows:

1. That Section 4 of Article III of the Company's By-laws be repealed and re-enacted to read as follows:
   4. The Directors at their first meeting after their election shall elect from among their number a President and a Vice-President. They may also elect one or more other Vice-Presidents who need not be members of the Board.
2. That Section 6 of Article III of the Company's By-laws be amended by adding after the word "Vice-President" in the fourth line, the words "who is a member of the Board."
3. That Section 2 of Article VI of the Company's By-laws be amended by adding after the word "Vice-President" in the first line, the words "who is a member of the Board," and by substituting the word "such" for the word "the" before the word "Vice-President" in the fifth line.
4. That Section 3 of Article VI of the Company's By-laws be amended by deleting the words "The Board of Directors may appoint one of its members to be the Managing Director of the Company and he" and substituting therefore the following "Any Vice-President elected by the Directors."
5. That Section 4 of Article VI be amended by inserting the word "General" before the word "Manager" in the first line.
6. That Section 5 of Article VI be amended by deleting the words "Vice-President, Managing Director" in the sixth and seventh lines, and substituting therefor the following: "any Vice-President."

The Transfer Books will be closed from the 21st February, 1934, to the 12th March, 1934, both days inclusive.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.

Monday, January 22nd, 1934.

IMPERIAL OIL LIMITED

DIVIDEND

NOTICE TO SHAREHOLDERS AND THE HOLDERS OF SHARE WARRANTS

NOTICE is hereby given that a dividend of twelve and one-half cents (12½c) Canadian Currency per share has been declared, and that the same will be payable on or after the 1st day of March, 1934, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of Coupons No. 40 at any Branch of:

THE ROYAL BANK OF CANADA, in Canada.

The payment to Shareholders of record at the close of business on the 9th day of February, 1934, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 28th day of February, 1934.

The transfer books will be closed from the 9th day of February to the 3rd day of March, 1934, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income War Tax Act of the Dominion of Canada having been amended, effective April 1st, 1933, to provide that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada the above mentioned tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the 5% tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Stockholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal income tax return. If it is desired to claim such credit on the return the United States tax authorities require the receipt or certificate of the Canadian Commissioner of Income Tax for such payment. In order for the taxpayer to secure such proof from the Canadian Commissioner it is necessary for the United States stockholder to submit, at the time of cashing his dividend coupon, an ownership certificate on Canadian form No. 601. Only in this way can the Canadian Commissioner identify the withheld Canadian tax with the specific recipient of the dividend in order to furnish the necessary individual receipt. If Forms No. 601 are not available at local United States banks, they can be secured by requesting the same from the Company's office or at any branch of The Royal Bank of Canada, in Canada.

IMPORTANT NOTICE

NOTICE is hereby given that on and after the first day of March, 1934, new Coupon Sheets will be issued to the holders of Bearer Share Warrants of this Company, upon surrender of the NUMBERED TALON attached to the bottom of the Share Warrant. This Talon should be detached from the Share Warrant Certificate, and forwarded by registered mail, insured, to the Office of the Secretary, 56 Church Street, Toronto, Ontario.

At the earliest date possible after the receipt of this Talon, new Coupon Sheets bearing the same Serial Number as the Certificate from which the Talon is detached, will be returned in exchange therefor.

By Order of the Board,

F. E. HOLBROOK, Secretary.

56 Church Street, Toronto, Ont.

Grain and Milling in Canada

WHEAT REDUCTION PLANS IGNORED BY LEGISLATURES

No Mention of 1934 Plans as Parliaments Open

From Our Own Correspondent

WINNIPEG—No trace of any intention to bring down legislation restricting the growing or marketing of wheat is to be found in programmes announced by the governments of Manitoba or Alberta at the opening of the legislatures of those provinces. The Saskatchewan Government is yet to be heard from, as the legislature there is to be opened a week later than those in Manitoba and Alberta. It is doubted, however, if that province will proceed with its previously announced intention to convey powers to the government to restrict the deliveries of wheat by farmers on an individual quota basis, if the production of a large crop of wheat in Saskatchewan this year should make such action seem desirable.

The consensus of opinion now appears to be that, although the premiers of the Prairie Provinces will admit that they undertook some obligations toward securing reduced production of wheat in western Canada when they urged that the London Wheat Agreement should be signed, natural and economic causes will bring about such a reduction of wheat acreage seeded this spring that it is unnecessary for them to carry out the kind of programme they originally had in mind.

Grasshoppers et al

It is more picturesque than accurate to say that the premiers are leaving the matter to the grasshoppers, for quite outside of the threatened grasshopper plague there are a number of causes at work making likely a considerable reduction in the acreage seeded to wheat. One of these is the lack of seed on farms over a large area and the fact that farmers there will have to be assisted with seed advances before they can put in a crop. In such cases it seems likely that advances of wheat for seed will be limited by the governments, and the principle adopted that farmers needing help will have to put in a greater proportionate area than usual to coarse grains, in order that farm supplies of feed may by built up.

In the Manitoba Legislature, Sanford Evans, leader of the Conservative opposition, took the first opportunity to make an onslaught on Premier Bracken in connection with the London Wheat Agreement, providing a contrast to the scene at Ottawa where the leader of a Liberal opposition attacked the policy of a Conservative Prime Minister.

No Reduction in Manitoba

The Manitoba situation appears to be that no matter how desirous Premier Bracken might be of introducing restrictive legislation, nor to what extent he might feel he was personally committed to such a policy, the legislature would not pass anything of the kind. Manitoba farmers have actually been reducing their acreage in wheat, while Saskatchewan and Alberta have been expanding theirs.

In Alberta, on the other hand, the wheat pool is willing to endorse restrictions only if they are accompanied by the creation of a wheat board, and the U.F.A. only if accompanied by cash compensation. Restriction might have a chance in Saskatchewan with the weight of wheat pool influence behind it, were it not for the attitude in the other two provinces.

Debate London Agreement

The London Wheat Agreement was the subject of a debate at Portage la Prairie last week between Hon. T. A. Crerar, former Dominion Minister of Railways, and Professor H. C. Grant, who was one of a committee which advised the western premiers in connection with the agreement. In addition to opposing the agreement Mr. Crerar laid a good deal of blame for the present European attitude toward wheat imports to policies inspired by Mr. Sapiro and followed by the wheat pools. While such statements have previously been made it is new to have them boldly made to an audience of farmers in the West.

At one time it appeared that the wheat pools would vigorously push a plan for establishment of individual delivery quotas, but the Saskatchewan pool, it would appear, now is more interested in obtaining legislation at Ottawa, through the proposed new marketing bill, which would make possible the establishment of compulsory provincial wheat pools, as well as pools for marketing other farm produce.

Curiously little is known in western Canada as to what may be planned in this connection. Mr. Milliken, solicitor for the Saskatchewan wheat pool, who has been drafting the legislation at Ottawa, was given rather a rough time at a recent meeting of the Western Canada Livestock Union, when various representatives of different livestock interests objected to the application of the compulsory principle to the handling of livestock and livestock projects.

In Manitoba the Manitoba Co-operative Conference, in which the Manitoba Pool Elevators is the principal factor is carrying on some propaganda in the country in favor of the principles of the legislation asked for.

DIVIDEND NOTICES

INTERNATIONAL PROPRIETARIES

Limited

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of Sixty-five Cents (65 cents) per share, and participation dividend of Five Cents (5c) per share, has been declared on the issued and outstanding Class "A" Shares of this Company, payable on the 15th day of March, 1934, to Shareholders of record at the close of business on the 21st day of February, 1934.

J. H. SPENCE,
Secretary.

Toronto, February 12th, 1934.

Dividend Notice

San Antonio Gold Mines, Limited

(Non-Personal Liability)

Dividend Number One

Notice is hereby given that a dividend of five cents (5c) per share upon the shares of the Company issued and outstanding has been declared payable March 15th, 1934, to Shareholders of record at the close of business on the 1st day of March, 1934.

Winnipeg, Manitoba, February 5th, 1934.

J. D. PERRIN,
President.

National Wheat Institute Proposed for Dominion

From Our Own Correspondent

OTTAWA.—Incorporation of a National Wheat Institute to be an organization, supported by voluntary contributions, for the purpose of studying all problems relating to the production and marketing of wheat is to take place at Winnipeg in the near future.

The sponsors of the Institute are R. S. Law, head of the United Grain Growers' Grain Co., and H. L. Griffin, the company's expert in matters of research. The Institute already has been widely discussed in Eastern Canada by financial, commercial and political leaders and is understood to have won the enthusiastic support not only of the Bennett Government but of outstanding men in all walks of life.

It represents one of the first efforts to deal with Canada's wheat problem that has been made since 1930, when the world wheat surplus first emerged.

Join in Common Effort

The proposal, in substance, is that all people in Canada who are interested in the wheat problem should unite, through the Institute, in creating an organization which would bring expert knowledge of production and marketing to bear upon it. These people, whether acting as executive officers of large corporations or whether as private citizens, would contribute a small sum of money annually to the Institute and with these funds research work would be carried forward. The headquarters of the Institute would be at Winnipeg.

It has been suggested by Mr. Law and Mr. Griffin that progress toward a solution of the wheat problem is not only possible but very probable if intelligent study is given to it. Perhaps the main activities which would be carried on would be an exhaustive soil survey in Western Canada to determine which are sub-marginal wheat lands — lands that could be used more profitably for other purposes; and a thorough enquiry into the uses of wheat and when and where these uses could be developed.

Use as Poultry Feed

There is, for example, the possibility of developing the use of wheat as poultry feed. Few realize that some 35 million bushels of wheat were used for this purpose last year. Then there are the possibilities of developing special foreign markets such as the market for macaroni. Again, there are the possibilities in the denaturing of wheat, the manufacture of alcohol, etc. Every aspect of the twin problems of production and marketing would be studied intensively and the information made available to all concerned.

WOULD STABILIZE MINIMUM PRICES WHEAT GRADES

International Committee's Plan Not Approved in Canada

From Our Own Correspondent

OTTAWA—Efforts which are being made by more than one of the nations who have signed the World Wheat Agreement to bring about a second conference for the purpose of applying greater restrictions have not, hitherto, received any encouragement from Canada and are not likely to do so.

Cables from London in the past few days have disclosed that the International Committee, set up after the Wheat Conference concluded, has drafted a unanimous recommendation to the 21 signatories calling for further restrictive measures. The important feature of this recommendation, it is understood, is that a world minimum price for wheat be established.

Canada Opposed

The Bennett Government is known to be opposed to any attempt to fix a minimum price and is, also, opposed to any re-opening of the present agreement in the near future. Ottawa desires to give the agreement a fair opportunity to perform the services expected of it.

It is said, in unofficial but influential quarters, that Canada's reply to the suggestion of the International Committee was couched in no uncertain language and that Canada's representative has received what is commonly called a severe rap on the knuckles. This representative is Andrew Cairns, formerly identified with the Wheat Pools in Western Canada.

Meeting Adjourned

The cable messages indicated that the committee has adjourned to meet later on at Rome, when the views of the various governments regarding the recommendation will be received. The reported date for this later meeting is March 5 but the actual date, it is learned, is April 5.

U. S. WINTER WHEAT LEADING FACTOR IN WORLD PRICES

Small Crop Expected by Experts, May be Bullish

From Our Own Correspondent

WINNIPEG.—If there is a critical point in the world wheat situation at the present time it lies in the condition of the United States winter wheat crop. Although the efforts of the Government of that country to reduce wheat acreage have had little effect, moisture and other climatic conditions over a great part of the winter wheat belt have been so unfavorable that another very small crop is in sight. A recent Government calculation would indicate a winter wheat crop of 435 million bushels.

Since then conditions have become decidedly worse, while the outlook in the spring wheat states is not favorable, very largely on account of the expected dangers from grasshoppers. All told, it would seem that the highest reasonable expectation at this time is for a total wheat crop in the United States of from 600,000,000 to 650,000,000 bushels. That is more than the production of 1933, which in all was only 514,000,000 bushels, but it is still only about equal to the domestic consumption of the country.

U. S. Carry-over Large

The U. S. Department of Agriculture came out with an estimate the other day indicating about 120,000,000 bushels of wheat less in the country than a year ago, but suggesting that the carry-over at the end of the current crop year is likely to be close to 300,000,000 bushels.

Although United States has been out of the world market for wheat for many months, stocks in that country are still considered part of the available world surplus in European calculations. This has had a depressing effect on prices. With the probability that United States will only produce enough wheat for domestic consumption this year, this fallacy may be continued for another eighteen months.

U. S. Figures Inaccurate

Added to this situation, there is reason to believe that United States does not have such a large surplus of wheat as is indicated by official figures. No allowance appears to have been made for loss or damage to wheat stored for a long time and there is no careful and continuous check of supplies such as prevails in Canada.

It will not be until the first of April that any very sound idea can be obtained as to the extent of winter damage to the U. S. wheat crop, and conditions of the late winter and early spring sometimes determine whether many millions of acres will have a crop, or will have to be abandoned and plowed up. In the meantime, market news, both in the United States and in Europe, is likely to pay a good deal of attention to any changes in the moisture situation in the winter wheat belt, whether for better or for worse, and some fairly wide price swings in Chicago, which may influence prices elsewhere to some extent, are entirely possible.

Wheat as Hog Feed

The corn situation in the United States may have some effect upon use of wheat for feeding where wheat is plentiful and corn is scarce. Corn prices are being kept artificially high by payments to farmers which are nominally loans, to the extent of 45 cents a bushel on the farm, of corn which they seal in cribs. Actually these are not loans at all, but the advance of a minimum price, for the farmer, instead of paying back the money, may if he choose, simply turn the corn in question over to the Government at a specified time.

NO BRITISH RULING ON N. Y. SHIPMENTS

Acceptance of Wheat Does Not Create a Precedent

Free entry into the British market for wheat shipped via New York is not yet assured although a test shipment was recently accepted by the British customs authorities, it is learned. Latest reports from London state that each shipment will be considered on its merits and that the shipment at present on the Atlantic is not certain to be accepted although the same steps were taken as in the case of the accepted shipment.

Even should this shipment be accepted there are too many restrictions attached to the transfer to permit a regular trade being done via New York, The Financial Post learns. A New York customs certificate has to be obtained guaranteeing that the shipment remained in bond during its transfer through United States and a visa attached from the British consul.

Receipts from Wheat Crop Lower in Prairie Provinces

Cash receipts of Prairie farmers to the end of January from the 1933 wheat crop were 10 per cent less than in the same period of 1932-33, according to an estimate made by the W. Sanford Evans Statistical Service, Winnipeg. Deliveries of wheat were down more than 40 per cent in volume, the comparative figures being 170,891,000 bushels and 285,851,000 bushels. Total receipts amounted to $77,900,862 as compared with $86,376,319.

Winnipeg Grain Prices

Week to February 13, 1934

Crop year from Aug. 1, 1933 High	Low		Open Feb. 7	High for week	Low for week	Close Feb. 13
		Wheat				
.95	.59¾	May	.69½	.69¾	.67¾	.67⅞
.71½	.62¾	July	.70½	.70½	.68⅞	.69⅛
		Oats				
.48⅛	.29½	May	.36⅝	.36⅞	.35¼	.35⅝
.38⅝	.32⅛	July	.37⅛	.37⅛	.36¼	.36¼
		Barley				
.59⅝	.32¾	May	.42⅛	.43⅛	.42¼	.42⅜
.44⅝	.35¾	July	.43⅜	.43⅞	.42½	.43⅜
		Flax				
1.71½	1.15	May	1.53¼	1.53½	1.50	1.51¼
1.58	1.29½	July	1.52¾	1.53	1.49	1.50
		Rye				
.68½	.39¼	May	.50½	.50⅞	.48⅞	.49⅜
.53¼	.43⅞	July	.51½	.51½	.50½	.50⅞

B. C. TELEPHONE INCOME HOLDS FOR PAST YEAR

Net Working Capital Strengthens — Trend is Upward

From Our Own Correspondent

MONTREAL.—An improvement in net working capital position and earnings available for dividend distribution on the capital stock at practically the same level as in 1932, are the highlights of B. C. Telephone Co.'s report for the past year.

At the end of last year the company had in service 105,081 telephones, a decline of 3,830 stations from that reported at the close of 1932. On a percentage basis this was a loss of 3.52 per cent, whereas the loss in telephones the previous year amounted to 6.44 per cent. The reduction in toll revenue was also at a decreasing ratio, amounting to slightly over 6 per cent, as against 18 per cent loss in 1932.

Net Income Maintained

The loss in stations and reduction in toll service revenue, is not reflected in the income account, which shows a gross revenue during the year of $4,479,079. This compares with $4,749,156 in the previous year. Transfer of $40,000 from contingent reserve and a reduction in operating expenses, enabled the company to show $635,448 as being available for dividends. This was practically the same as in 1932.

Particulars of the income account for the past two years follow:

	1933 $	1932 $
Oper. revenue	4,479,079	4,749,156
Non-oper. revenue	177,907	163,355
Trans. from conting. reserve	40,000	......
Net revenue	4,696,986	4,912,511
Less: Oper. expense	2,286,784	2,459,677
Taxes	313,985	310,471
Depreciation	865,270	900,112
Int. on bonds	553,003	562,187
Employees' savings plan int.	7,431	8,322
Amort. of bond disc.	35,065	35,065
Net income	635,448	636,677
Preference dividend	60,000	60,000
Preferred dividend	270,000	270,000
Ord. dividend	326,250	326,250
Deficit	20,802	19,572

WORKING CAPITAL

	1933 $	1932 $
Current assets	2,322,523	2,131,308
Current liabilities	651,264	556,005
Net working capital	1,671,259	1,575,303

Examination of the balance sheet shows assets totalling $30,150,761 compared with $29,987,004 at the close of 1932. The individual items registered relatively unimportant changes during the year. Funded debt and outstanding capital stock remain unchanged. Current liabilities as a whole are slightly higher, due to an increase in accounts payable and accrued liabilities.

Cash Position Stronger

Among assets, property, equipment, etc., are carried on the books at $24,855,828, or about $27,000 less than in 1932. Inventories have been reduced from $984,558 to $810,751. Cash position shows a sharp gain, advancing from $218,531 to $744,332.

Increase Board of Directors

During the year the number of directors was increased from seven to nine, directors and officers now consisting of: Hunter L. Gary, chairman, Chicago; Gordon Farrell, president and treasurer, Vancouver; W. C. Pitfield, vice-president, Montreal; L. E. Durham and Arthur F. Adams, Chicago; Hon. G. H. Barnard, K.C., Victoria; A. G. Lawson, Montreal; Percy W. Evans, San Marino, Calif., and L. G. McPhillips, Vancouver.

SASK. WITHHOLDS ACREAGE DECISION UNTIL AFTER 1934

From Our Own Correspondent

REGINA, Sask.—The Financial Post has learned definitely there will be no acreage restriction legislation in Saskatchewan until there are signs that the 1934 crop will assume such proportions that government action will be deemed necessary.

Although moisture conditions are regarded favorable, those who have been working under government auspices to ascertain what will happen at seeding time, report there will be a fair-sized acreage taken out of the production column for three reasons: Grasshopper infestation, abandoned farms and lack of motive power, either tractor or horse-flesh.

A careful survey might possibly be made at a later date to ascertain just what is the intention of farmers. This survey might produce a definite idea of the acreage that will be left untouched.

Code for Grain Exchanges Expected Soon in U. S. A.

From Our Own Correspondent

Regulation of United States grain exchanges under a code of fair competition is expected soon, it is understood. Plans have been drawn up and farm administration officials and representatives of the exchanges are nearing accord.

Major revisions include a minimum margin requirement of 10 per cent on the open market price on futures contracts up to 2,000,000 bushels, and an additional 15 per cent on the open market price on futures contracts above that figure. The code also would provide for a supervisor of each exchange and discontinuance of trading in indemnities or "puts and calls," it is stated.

22,630,000 Bushels Wheat Still in Farmers' Hands

Approximately 22,630,000 bushels of wheat remained in Prairie farmers' hands at February 8, not including requirements for feed, seed, etc., according to an estimate made at that date by the W. Sanford Evans Statistical Service, Winnipeg.

The estimate is based on 1933 production of 250,841,000, less 55,000,000 for feed, seed, etc., less deliveries Aug. 1 to Feb. 8 of 173,211,000 bushels. No allowance is made for the farm carryover at August 1, 1933.

Inter City Western Control Passes to Bondholders

From Our Own Correspondent

MONTREAL.—Bondholders of Inter City Western Bakeries will be informed shortly by the bondholders' protective committee that for the next two years control of the property will be vested in the hands of the committee. Heretofore voting control of the company has been held by Lake of the Woods Milling Co., the latter holding over 88 per cent of the issued common stock.

Prior to 1930 Lake of the Woods had secured control of a number of bakeries in Western Canada. In that year Inter City Western Bakeries was formed and the public subscribed for $1,500,000 of first mortgage bonds, the preferred and common stocks going to the old owners and the parent company. The company met its obligations on the funded debt up to May 1, 1933, when interest was deferred. By this time the outstanding bonds had been reduced to $1,456,200.

The financial statement for 1933 showed earnings equivalent to about one-half of bond interest requirements. In addition working capital was limited. Following the deferment of interest payments a protective committee was formed under the chairmanship of Hugh Mackay, of Montreal. In October the committee reported earnings for the period ended August 26, 1933, were running at the rate of approximately half bond interest requirements before depreciation. There was some improvement in net working capital, which at that time amounted to $100,000.

DOMINION SQUARE USING REVENUES CLEAR UP TAXES

Bondholders' Committee Wait Until May 1 Before Deciding Action

From Our Own Correspondent

MONTREAL.—Bondholders' Protective Committee of Dominion Square Corp. has written to the bondholders saying that for the time being their best interests will be served by holding off foreclosure proceedings and that revenues of the company will be used, for the time being, in paying off arrears of taxes owing to the City of Montreal.

Last year Dominion Square Corp. earned $413,008, from which was deducted operating expenses, leaving $317,758. Taxes absorbed $124,801, leaving an operating profit of $192,957. This compared with bond interest requirements of $516,889 and amortization of bond discount, etc., amounting to $16,098. With provision for these two items, the deficit for the year was $340,030, making a deficit to date of $1,237,868.

At the end of last year the balance sheet showed as outstanding $4,690,000 of first mortgage bonds, on which accrued interest totalled $360,192; $1,293,000 of general mortgage bonds "A," on which there was $383,239 of accrued interest; and $1,678,000 of general mortgage "B" bonds, on which accrued interest amounted to $467,724.

The committee's letter further says, in part:

"Since May 1, 1933, all revenues in excess of operating costs have been applied to the reduction of the liability in connection with taxes due to the City of Montreal. On May 1, 1933, unpaid taxes due to the city, and accrued interest thereon, amounted to more than $136,000. The statements indicate that this liability has been entirely discharged and substantial payments have been made to the city on account of taxes for the current tax year, ending April 30, 1934, which were due on October 1, 1933. It is contemplated that the outstanding balance as at December 31, 1933, $34,264.93, will be paid before the end of February, 1934. The company has undertaken to deposit sums monthly, as available, with The Royal Trust Company as Trustee for the first mortgage bondholders to accumulate toward the payment of arrears of interest as soon as the outstanding taxes have been paid.

"The building contains 275,907 square feet of rentable area, of which at December 31, 1933, 160,032 square feet were rented.

"After careful consideration it has been decided that under existing conditions it is not in the best interests of the bondholders to take these steps at the present time.

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Your Investments

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Abuse of Majority Control Deserves Some Attention

Minority Rights Need Further Definition — Those in Saddle Can Manipulate Stocks, "Freeze Out" Minorities and Withhold Information

By F. W. WEGENAST, K.C.,
Author of "Canadian Companies"

This fifth article in a series covering the general principles and considerations to be taken into account by those desiring change in company law, deals with a tendency in human nature to take advantage of powers entrusted to it, or, in other words, the abuse of majority control.

The conduct of the affairs of an incorporated company is in the hands of a majority of its members, that is to say, a majority according to their holdings. Any other rule would be difficult to justify. But it should be pointed out at once that in many matters the law reaches in and decides what shall or what shall not be done. For example, if the majority or even the whole of the shareholders should decide that the company would make a loan to one of the shareholders it would be of no avail because the law had already decided otherwise. The voice of a democratic people may be the voice of the gods but not so the voice of the shareholders of a company.

Even in the realm of political government minority rights are recognized. But an incorporated company is a creature of law and there is no reason why the law should not circumscribe the rights of the majority as may be thought fit. And it is done. The majority, no matter how large, has no right to make a present to itself of any part of the assets of the company. The minority, no matter how small, has an absolute right to notice of meeting and a right to voice its views. And there are other bounds of the rights of the majority.

But within certain bounds the rule is that the majority rules. Are these bounds as they should be? A leading case which went to the Privy Council brought this result: That it was open to a shareholder holding a majority of the stock to decide, through a board of directors elected by himself, to withhold payment of dividends as long as he pleased, to accumulate the profits in reserves and to use these reserves by way of supplying capital for a competing company.

Minority Interest Vulnerable

The theory was that the court could not undertake to dictate to the majority of the shareholders when dividends should be paid or how the company's reserves should be invested. It is commonplace law that a shareholder or a group of shareholders holding a majority of stock in a company may elect whom they please as directors and may by that means decide whom they will employ as officers and servants and at what remuneration, and may in that way for practical purposes determine the question of dividends.

The Court of Appeal in Ontario in a case not long ago indicated a limit to this power over salaries by deciding that a company not operating and not making profits was not as free in the matter of paying salaries as it would be under other conditions. But, generally speaking, the operation of the majority rule is such that in practice the minority shareholder is so completely at the mercy of the majority that a minority interest in an ordinary commercial company is saleable only to persons who are relatively unsophisticated.

Makes Manipulation Easier

It is, of course, quite obvious that the power to withhold dividends is a powerful engine not only in "freezing out" the minority, that is to say, forcing them to sell out their holdings for what the majority shareholders are willing to pay, but in impelling them to any other course which they would otherwise be unwilling to sanction. And it is a powerful factor in the manipulation of stocks on the public market. Let the directors decide to withhold dividends and see what happens to the price of the stock. Let the directors decide to resume or increase dividends and see what happens. And what has the prudent director, in his private capacity as a shareholder, done in the meantime?

There is another phase of the question of majority control which theoretically may seem of lesser moment, but in actual practice is of first importance. In the case of public corporations with stock widely distributed it is not necessary for the man or the group in power to own 51 per cent of the stock. The difficulties of organizing the vote are so great that the man or the group in control for the time being is quite safe with much less than one half the stock.

Directors Have Advantage

The directors in power call the meeting of shareholders. They send out proxy forms made out to themselves, which many of the shareholders will sign as a matter of course. They can send out what information and comment they please as to the operations and the conditions of the company. A case in England is authority for the rule that minority shareholders have no right to require the directors to circulate the opinions of the minority at the expense of the company. In other words the minority have no right to equality of treatment when it comes to circulating information and views.

The position of the directors in power, even if they hold only a relatively small amount of stock is almost impregnable unless and until they have got the company into a position so bad that it is notorious. Even then the task of organizing the opposition is a very serious one for any shareholder to undertake. It is not an overstatement to say that in the case of many large companies the government is in the hands, not of the majority, but of those who happen to be in and have managed under existing law and practice, to stay in. Perhaps there is something to be said in favor of it but that is another question.

Minority Law Not Proclaimed

Should something be done about these things? The Legislature of Ontario thought so in 1914 when there was passed what is called "The Minority Shareholders' Rights Act," which is still on the statute book. That act provides that where a minority shareholder thinks he has been treated unfairly by the majority he may apply to a judge of the Supreme Court, who, after investigation, may order either that the shareholder shall receive due compensation for what he has lost or that his stock shall be purchased by the company. The act was not to come into force until proclaimed and up to the present it has not been proclaimed.

Suggested Remedy

What could be done by way of remedy? First, as to the payment of dividends: The state interests itself in the amount of the company's capital and requires supplementary authority for either increasing or decreasing it. Undistributed profits are in a sense capital. By appropriate resolution they may be turned into capital. Why should not the state lay down that whenever undistributed profits of a company amount to more than a certain percentage of the capital, say 25 per cent, the company might be called upon by appropriate procedure to show cause why they should not be distributed. If the directors could not show satisfactory cause they might be given several alternatives, for example, that of the Ontario statute above mentioned, or to wind up the company, or to pay a dividend of the excess amount, or at least to issue stock dividends.

What is Fair Proxy Form?

And as to the dissemination of proxies and information. How would it do to enact that whenever the holders of say twenty per cent of a company's stock require it, or within a certain time before any proxies obtained by the directors are used in voting, there should be forwarded to all the shareholders a form of proxy as required by the requisitionists together with such information or material as might be approved by the court or some official. The question of what was fair for the minority to require to be sent out ought not to be hard for a judge or a master to determine. Again there is the question whether the ordinary courts should do this work or whether it should be left to some special tribunal or official.

This article will be followed in an early issue by the sixth in the series entitled, "Defective Auditing." Subjects already considered in this series include, "Misrepresentation," "Stock Watering," and "Abstraction of the Vote."

Enquiries

North American Trust

Please let me have your opinion on the following move: selling North American Trust Shares to purchase Canadian Investment Fund.

In your North American Trust shares you already have an investment which is fairly representative of the leading stocks listed on the New York stock exchange and you have already paid the selling expense and profit of the sponsors of these shares. Since the current market on these shares corresponds fairly well with the day to day price of the underlying stocks the best time for you to sell North American Trust shares would be when you think the trend of prices on the New York stock exchange is near the peak and a recession could be expected.

In switching into Canadian Investment Fund you would be transferring your investment from a fixed trust to a trust of the management type. The latter trust has been in operation but slightly over one year and the first annual statement has not as yet been issued. It is impossible to say, therefore, the degree of success that has attended the management of this trust in the past year nor can we predict its future success. In switching from your present holdings to shares of Canadian Investment Funds you would be sustaining an immediate loss which might not be apparent because part of the purchase price of the latter shares consists of selling expense and commissions.

International Loan

I have some shares of International Loan Co. of Winnipeg and would like your report on this company. Is there any market for these shares?

If any market exists for the stock of International Loan Co., it is an unlisted market in Winnipeg and we can give you no information as to current value of the stock. There is a bare possibility that some market might be obtained through the office of the company at 404 Trust & Loan Building, Winnipeg. George W. Argue is manager of the company.

At the end of 1932, the company had total assets of $1,083,790 of which $1,005,020 was in first mortgages and clear title agreements and $74,055 was in real estate to which the company had clear title. The company has raised all its money through sales of shares and at the end of 1932 had no liabilities to the public.

As so much of its assets are in western mortgages, the company could not fail to be affected by the difficult conditions prevailing in the West. Early in 1933 the general manager stated that of the interest charged on farm loans 53 per cent had been collected while 90 per cent of interest charged against city loans had been collected.

The annual report of the superintendent of insurance for the Dominion shows that at December 31, 1932, the principal amount of mortgages that the company had on its books was $885,959 of which $628,823 were first mortgages under which no legal proceedings had been taken. Mortgages under which legal proceedings had been taken and were still unsettled totalled $113,908 and the amount secured by agreements for sale or purchase or property not subject to prior mortgage amounted to $143,228. The amount of interest due and unpaid for a period under six months was $27,611 and due and unpaid for six months and over was $81,749. As is the case with most mortgage loans in Western Canada it may take several years for the company to collect all arrears and the shareholders may, therefore, have to wait for dividends.

Donnacona Paper

Will you kindly favor me with the benefit of your information as to the prospects of Donnacona Paper 6 per cent bonds? I am told the company is staging a strong comeback.

Donnacona Paper Co. has improved its position since the reorganization. An adverse working capital position has been changed into a favorable one. Earnings, however, continue to be relatively low due to the small amount of business offering and the low prices prevailing for newsprint. Additional business is in prospect for the company and with a maintenance of prices it is likely that the company will show better earnings for 1934 than was the case in 1933.

Dominion Bridge

I have been considering purchasing some of the common stock of Dominion Bridge Company and would like to have your opinion on the future outlook for this company, as well as its financial position.

Dominion Bridge Co. is the principal structural steel organization in the Dominion. It has supplied and erected the steel on many of the principal bridges and buildings in the country. The drop in new construction in the last three years, however, has limited the earning power of the company. Dividends have been maintained on the stock due to the large reserves built up in more prosperous years. At present the company's net working capital position is strong enough to enable the company to carry on until such time as there is an increase in building activity. Prospects for this company as well as others engaged in constructional activity are regarded as fairly promising. Expectations are that the Dominion Government will undertake a public works programme which should result in providing work for Dominion Bridge and other companies in the same industry.

Alcohol vs. Gasoline

As a holder of shares in International Petroleum I am anxious to know if there is any prospect over a term of years of alcohol taking the place of gasoline as a fuel for internal combustion engines. I remember that the matter was talked of in the United States and that there was a proposal to force refiners to use a percentage of alcohol and I understand that it has been used on the continent. Apparently there is no limit to the possibilities of alcohol production whereas petroleum will some day be used up even though there is now an excess. Is there any threat to my shares from this point of view?

The cost of producing alcohol for fuel purposes is much greater than the cost of making gasoline from crude petroleum and the only justification for the use of alcohol in the countries where it has been used is that it affords another market to the farmer, even though an uneconomic one.

The United States Secretary of Agriculture reported to the Senate recently that the cost of producing anhydrous alcohol, that is, alcohol containing less than one-half of one per cent of water, from corn in large economically operated units was about 39 cents per American gallon when corn sells at 50 cents a bushel. At the time he made this report, gasoline cost about six cents a gallon ex refinery. On this basis the extra burden on the consumer of using a ten per cent alcohol blend was estimated at about half a billion dollars and would be larger if corn rose in price. The cost of blending and additional transport and storage cost would add at least another $175,000,000. It was pointed out that the government could give the same amount of assistance to the farmer at a cost of $275,000,000 by buying the corn in the open market and burning it. In other words, the United States would save $300,000,000 by burning as compared with using it to make a motor fuel. In the face of those figures it seems unlikely that the United States will embark on such a policy, especially when the United States oil wells are capable at a fraction of their total capacity of supplying the needs of the whole world.

Ordinary commercial alcohol, which contains about five per cent water, could not be used without removing that water at considerable added expense to the cost of manufacture.

Agricultural engines have been operating on alcohol as a fuel in Germany since the beginning of the 20th century. In England the decision was for a gasoline engine and not an alcohol engine. In prewar Germany the government subsidized the manufacture of industrial alcohol from potatoes. The gasoline companies had to pay 82 cents an Imperial gallon for alcohol, whereas the cost of first-grade gasoline, duty excluded, but cost of insurance and freight included, was eight cents an Imperial gallon. This price was raised by import duties and consumption taxes fluctuating from 20 cents to 42 cents per gal.

In every country where tried, the use of alcohol as fuel on a large scale has simply been agrarian legislation with the idea of financing uneconomic production from the land.

Two Candy Stocks

I would appreciate your opinion of Fanny Farmer as compared with Laura Secord. I understand the former operates entirely or almost so in the United States whereas Laura Secord is mostly interested in Canada. However, it appears that Fanny Farmer is controlled by Laura Secord. Although, under present circumstances, I am not interested in U. S. industries, Fanny Farmer seems to me to be an attractive issue.

Control of both Laura Secord Candy Shops, Ltd., and Fanny Farmer Candy Shops Inc., rests with Frank P. O'Connor, who acts as president and chairman of the board of both companies. The management of both companies is also identical. While Laura Secord Candy Shops has a substantial interest in Fanny Farmer, this interest does not represent control and Fanny Farmer Candy Shops is not regarded as a subsidiary of Laura Secord.

The business of Laura Secord is confined largely to Ontario and Quebec, although some sales have been made through agencies in Winnipeg. Dollar volume of sales has naturally tended to decline from the peak level of 1929, but unit volume of business has been well maintained and each year the company has earned the $3 dividend on its stock by a satisfactory margin. This company still dominates its field in Canada and with improvement in public purchasing power sales can be expected to increase. A new development of the past six months has been the opening of some ten stores by a wholly owned subsidiary, Candyteria, Ltd., which sells candy at a fixed price of 29c. a lb., thereby extending the operations of the parent company to a low price candy field which it has not previously touched. A strong feature of Laura Secord Candy Shops is the extreme liquidity of its balance sheet in which there appeared at Sept. 30,1933, government, municipal and other bonds carried at $1,388,751. Net current assets of the company exceed by more than five times the amount invested in fixed assets. With only 57,500 shares of stock outstanding the company is able to show an equity per share of $32.90. In 1933, the company earned $3.79 which compares with $4.89 earned in 1932 and $5.22 earned in 1931.

While Laura Secord operates 74 shops and 2 studios, Fanny Farmer Candy Shops has some 148 stores and six studios scattered throughout the north eastern and central United States. Dollar volume of sales in 1932 was $3,207,000, or $21,672 per unit and the company earned $1.02 per share on the 98,602 shares of common stock outstanding after payment of dividend on the 15,375 shares of $2.40 preference stock. Sales and net profit in 1932 were the lowest to be recorded in the past seven years. While the annual report for 1933 is not yet available, we believe that sales and profits showed improvement over 1932 and that the company will report over $1.75 earned per share on the common stock. This stock has an equity of $10.20 per share at the end of 1932. The preferred stock is not convertible as was the case with the old Laura Secord preferred but is redeemable through a sinking fund amounting to 20 per cent of net profits in the previous calendar year, but not in excess of $50,000 per year.

The company is following the same practice as Laura Secord in building up a strong working capital position and adding to security holdings each year.

The common stock of Fanny Farmer lacks the security of that of Laura Secord and is less marketable. Given a continuance of profitable operations, however, the Fanny Farmer common should show a higher percentage increase in liquidating value than the common of Laura Secord. Within a period of six years, 14,625 shares of Fanny Farmer preference stock have been redeemed out of the original total of 30,000. In this same period, the liquidating value of the common stock has increased from $1.81 in 1927 to $10.20 in 1932. From the end of 1927 to Sept. 30, 1933, the equity or liquidating value of the Laura Secord common stock has increased from $7.96 to $32.90.

Common. Inter. Power

Can you let me have details as to the financial position of this company and the name of the trust company acting as trustee?

We have no official information on the Commonwealth International Power Co., but we are informed by officials of the company that in the near future they expect to do some public financing when they will make available to us full particulars of their financial position. Up to date all financing has been carried on privately, with the Montreal Trust Co. acting as trustee.

McColl Bonds

Will you let me know particulars as to the conversion privilege attaching to the bonds of McColl-Frontenac Oil Co.? Also I would like to have some information in respect to earnings of the company, more particularly as they relate to bond interest.

McColl-Frontenac Oil Co.'s first mortgage bonds are convertible up to and including October 1, 1934, into common stock, on the basis of a price for the common stock of slightly less than $50 a share.

During the last three fiscal years bond interest, after depreciation and bank interest, was earned on an average about 3.75 times. The actual figures are: 1931, 3.76; 1932, 4.30; 1933, 3.53. It should be pointed out that in 1933 bond interest included heavy payments on account of the purchase of United States funds, the cost being $87,336, compared with $57,087 in 1932.

Winnipeg Electric

It will be appreciated if you can let me have a report on Winnipeg Electric Co. Have there been any new developments in connection with this organization to warrant a more optimistic opinion on the outlook?

Winnipeg Electric's position has undergone a material change in the last five years and the immediate outlook for the company cannot be considered as promising. Revenues have declined to a point where it is doubtful if the company will more than cover its bond interest and depreciation in 1933. In addition to the decline in income the company undertook certain obligations in respect to subsidiary companies which are now proving most embarrassing. Protective committees have been formed to represent the bondholders of Winnipeg Electric and its subsidiaries. While these committees have not made their report, it is expected that their investigations will result in a reorganization of the Winnipeg Electric Co. though along what lines it is impossible to say at this juncture.

Claude Neon

I would like to have an opinion on the investment status of Claude Neon General Advertising. Has the company been making headway and what is the outlook?

Conditions surrounding Claude Neon General Advertising have been only fair.

We are informed that operations during the past year were varied. Western Canada business was somewhat improved. Much the same applies to Ontario. Quebec, on the other hand, lagged behind the general trend. Income was materially helped by an extra dividend paid by the Vancouver Neon Co., in which Claude Neon holds a minority interest.

Canada Northern

I have been considering purchasing a few shares of Canada Northern Power Corp. and would like to have an opinion as to the company's position.

Canada Northern Power has reported steady progress over the last three years. The marked boom in gold mining in Northern Ontario has proved of considerable help to the company in that the demand for electric energy has been stepped up substantially. The income statement of the company, as issued month by month, shows a steady increase in both gross and net income. It is expected that the financial statement for 1933 will show earnings available on the common stock equivalent to more than $1 a share. This compares with about 90 cents a share in 1932.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Using Paper Credit

TWO young German butchers were recently taken in charge by Toronto police on the charge of issuing worthless cheques on which they had obtained enough credit to start a meat shop. Late in January they advertised for choice hogs for which they paid by cheque. They offered pork for sale at their retail store in Toronto, sold out their stock and then disappeared according to police. The cheques given in payment for the pork came back from the bank and warrants were taken out for the arrest of the men. The police are strongly of the opinion that other farmers in the province were victimized.

* * *

Racketeers Use Telephone

FROM widely separated parts of the country come complaints of the use high pressure salesmen are making of the long distance telephone to sell their wares. In New Brunswick legislation is under consideration that will restrict the activities of high pressure salesmen in Montreal and Toronto who have been persuading residents of that province to invest in mining stocks of doubtful value. Complaints made in Manitoba are being investigated by the Municipal and Public Utility Board of that province. In Saskatchewan a public warning against this racket was issued by Hon. M. A. MacPherson, attorney-general.

In many cases it has been difficult to trace the source of the calls. In other cases legal action has not been possible. Better Business Bureaus in the larger centres have been successful in the past in putting at least a temporary stop to the activities of the perpetuators of this racket. The racketeer can, however, establish headquarters upon short notice, and, with a battery of telephones, bombard a selected list of investors over a wide area with a sales talk that usually brings immediate return from unwary investors.

The racketeer may receive orders, accompanied by cash, himself or may merely recommend the purchase of some stock in which he is directly interested but which can be purchased through any reputable broker. In either case the investor usually loses.

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THE HOME INVESTMENT & SAVINGS ASSOCIATION

Balance Sheet December 31st, 1933

ASSETS

Loans on First Mortgages on Improved Real Estate—Less Reserve for losses		$1,019,567.14
Agreements for Sale on Properties foreclosed and sold—Less Reserve for losses		109,826.55
Interest on Mortgages and Agreements for Sale, due and accrued—Less Reserve for losses		53,423.00
Investment Securities at Market Value:		
Dominion and Provincial Government and Municipal Bonds and accrued Interest	$175,210.95	
Industrial Bonds and accrued Interest	56,933.90	
Industrial Stocks	2,518.75	
		234,663.60
Investment in Shares of Subsidiary: Home Securities Limited (Subscribed $5,000.00)		1,640.00
Cash on Hand and in Bank of Montreal		39,154.38
Sundry Debtors		4,033.49
Real Estate—Less Reserve for losses		299,882.28
Home Office Building at Cost ($137,668.02)—Less Reserve for Depreciation		90,289.17
Furniture, Fixtures and Automobile, at Cost, less Depreciation		1,180.79
Mortgages to the amount of $82,843.58 are deposited as Collateral for Debenture Holders.		
		$1,853,410.40

LIABILITIES

To the Public:		
Currency Debentures and Accrued Interest	$140,763.69	
Sterling Debentures and Accrued Interest (£16,992 6s. 0d.)	82,752.50	
Deposits at Call	164,298.59	
Deposits for Fixed Term	31,101.56	
Sundry Accounts Payable	11,468.92	
Provision for Dominion Income Tax	3,672.11	
		$ 434,057.37
To the Shareholders:		
Capital Stock paid up: (Subscribed $1,000,000.00)	$996,400.00	
Reserve Fund	250,000.00	
Contingent Reserve	150,000.00	
Undivided Profits	22,953.03	
		1,419,353.03
		$1,853,410.40

Profit and Loss Account

For the Year Ended December 31st, 1933

Balance brought forward from previous year		$10,560.32
Less adjustment of Income Tax, etc., net		28.47
		$10,531.85
Net Profit for the year after deducting interest on borrowed Capital and Expenses of Management	$42,543.41	
Dominion, Provincial and Municipal Taxes	5,122.23	
		37,421.18
		$47,953.03
Appropriated as follows:		
Transferred to Reserve for Loans and Real Estate	$25,000.00	
Balance carried forward	22,953.03	
		$47,953.03

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of The Home Investment and Savings Association for the year ended December 31st, 1933, and in accordance with the provisions of the Companies' Act (Manitoba) we have to report that we have obtained all the information and explanations we have required, and, in our opinion, the appended Balance Sheet as at December 31st, 1933, is properly drawn up so as to exhibit a true and correct view of the state of the Association's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Association.

To the best of our information and belief, all the transactions of the Association that have come within our notice have been within the objects and powers of the Association.

PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

BOARD OF DIRECTORS

President, M. F. Christie; Vice-President, J. L. Bathgate; G. W. Allan, K.C.; R. J. Gourley, W. A. Matheson, E. H. Bennett, K.C., John A. Flanders,
Managing Director, W. E. Hobson.

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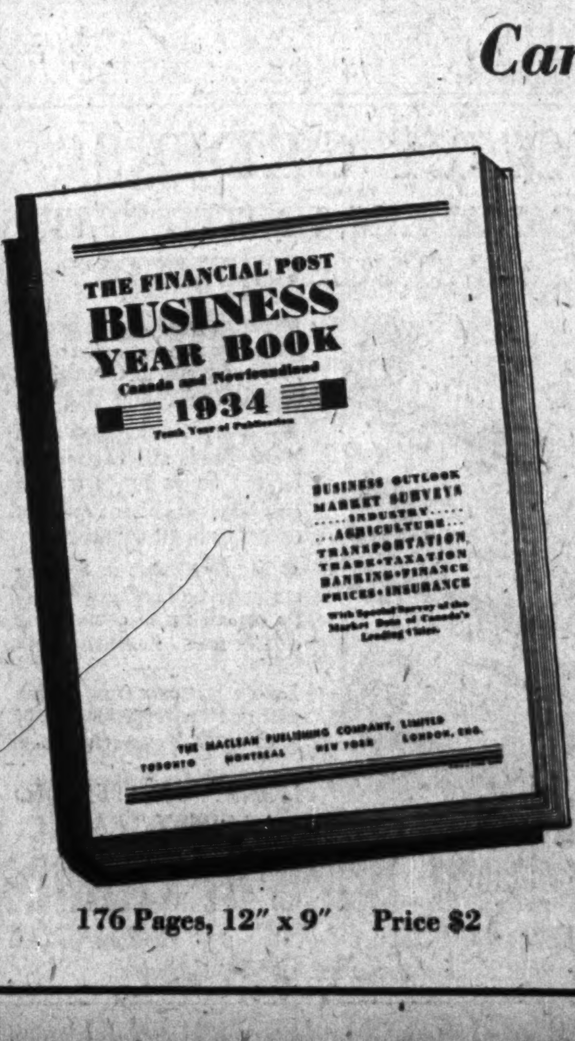

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Current Events in Banking World

Bank Chat on Current Topics

New York Banks Have Write-offs

AN ANALYSIS of New York bank stocks made by Standard Statistics shows that all but three of the 18 banks included in the study reported write-offs which were as high as $54,227,798 for the National City Bank, not including $46,500,000 of write-offs in 1934. At the level prevailing at the end of January these 18 bank stocks were selling at an average of 1.2 times book value to afford an average yield of 5.4 per cent. Over the past 25 years the average ratio of price to book value was 1.6 per cent and the average yield was 4 per cent.

It is pointed out that because bank stocks tend to lag during periods of economic revival and because uncertainties still exist, holders of these stocks should be resigned to relatively moderate appreciation during the early stages of recovery. This might also be applied to Canadian bank stocks.

Standard Statistics believes that the basic banking situation in the United States has been vastly improved during 1933. At the end of December there were 14,827 banks operating without restriction in the United States representing a decrease of 20 per cent during 1933 as a result of the elimination of weak banks prior to and during the bank holiday. The number of banks now in operation is 40 per cent below the number at the end of 1929.

* * *

Taxing Hoarded Currency

IN A somewhat satirical vein the American Banker suggests that the U. S. government is overlooking one way of bringing out hoarded currency that has been tried with some success in South America. It holds that the time is opportune for the issuance of new paper currency since recent law changes have made obsolete practically every piece of paper currency outstanding. It proposes that the government would call in all existing currency as of December 31, 1934, for which it would issue new currency and that any present currency turned in after that date would be regarded as hoarded and be subject to a tax of 50 per cent. There is no suggestion, however, as to how hoarders could be induced to keep the new money in circulation.

In support of the statement that practically every piece of U. S. paper currency outstanding is obsolete it is pointed out that Federal Reserve notes carry a line stating that they are redeemable in gold, which they are not. United States notes, greenbacks, carry a line about not being good for import duties; and they are. All U. S. currency is legal tender, even though some of it says so and some does not.

Staff Changes

J. A. YOUNG, manager of the Bank St., Ottawa, branch of the Bank of Nova Scotia will take charge of the staff department of the Bank succeeding William Duthie, also a former Ottawa man, who has retired on pension. Mr. Young will be succeeded as manager at Ottawa by W. R. BURFORD, manager at Renfrew.

WILLIAM PHILIP, manager at Galt for the Royal Bank since 1909 will retire on February 18 after 42 years of banking service. Mr. Philip started his banking career at Fergus, Ont., and served in Toronto, Niagara Falls, Ingersoll and St. Catharines before going to Galt.

The **Bank of Montreal** announces the following staff changes:

M. A. JOHNS manager, St. Stephen, N.B., has been appointed manager at Fredericton.

F. J. SHREVE, manager at King and Dufferin St. branch, Toronto, goes as manager to St. Stephen, N.B.

S. R. FINLAYSON, manager at Charlottetown, has been appointed manager at King and Dufferin St. branch, Toronto.

A. D. HARPER, superintendent's department, Toronto, has been appointed manager at Galt, Ont.

NORTHERN TRUSTS SURPLUS REDUCED

Estates Business Up — Overdraft is Reduced During 1933

Northern Trusts Co., Winnipeg, had net income of $12,043 in 1933 as compared with $35,333 in 1932. Provision of $26,780 for depreciation in market value of bonds, debentures and stocks reduced the surplus of the company to $41,190 from $55,926. Estates under administration increased to $15,095,608 from $14,156,891; trust and agency funds are down to $702,576 from $738,403 and guaranteed funds to $1,836,556 from $1,931,917.

Against guaranteed funds there is held $1,827,529 in mortgages and $9,027 in cash. In company funds there is $2,479 in cash, $47,893 in municipal debentures, $226,671 in other bonds and debentures, $7,109 in loans on collateral and $30,471 in advances to estates. The company has, however, liabilities of $35,632 including a bank overdraft of $11,490 and taxes unpaid and accrued of $14,201. Overdraft has been reduced from $71,944 shown in 1932. Dominion of Canada and provincial bonds shown at $103,891 in the 1932 statement are no longer shown.

Mortgages and agreements shown in company funds, are up to $765,796 from $751,446; interest due and accrued is up to $80,485 from $45,409; interest due and accrued on guaranteed mortgages is down to $144,803 from $181,611. Real estate acquired by foreclosure is up to $594,037 from $560,492. General investment reserve remains unchanged at $300,000.

Record of Earnings

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh.† $
1928	1,500,000	120,630	2.00	4.02
1929	1,500,000	120,192	2.50	3.44
1930	1,500,000	79,386	2.50	2.31
1931	1,500,000	55,752	1.50	1.19
1932	1,500,000	33,333	0.50	....
1933	1,500,000	12,043	....	....

*After all management expenses, directors' and auditors' fees, salaries, taxes, etc., but before provision against depreciation in market value of bonds, debentures and stocks.

†After provision against depreciation in market value of bonds, debentures and stocks.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves* $
1928	2,505,028	12,970,756	100,000
1929	2,444,024	12,532,971	300,000
1930	2,330,695	12,513,917	300,000
1931	2,193,721	14,315,894	300,000
1932	1,931,917	14,156,891	300,000
1933	1,836,556	15,095,608	300,000

*Shown as general investment reserve.

MONTREAL CITY BANK EARNINGS HOLD UP WELL

Regular Dividend and Bonus for Shareholders — Liquidity High

From Our Own Correspondent

MONTREAL. — Montreal City and Districts Savings Bank increased its earning power in 1933 compared with the previous year. Not only were dividends covered, but the management was able to continue its policy of paying a bonus of $40,000 on the company's stock.

The report for the past year does not show any material change from that presented to the shareholders in 1932. Conditions of late have not been conducive to an increase in savings, but Montreal City's deposits have been well maintained, the decline amounting to less than $1,500,000.

Particulars of the income account, together with comparative figures for 1932 follow:

	1933 $	1932 $
Profits	367,855	359,750
Less: Divds.	240,000	240,000
Bonus	40,000	40,000
Balance	87,855	79,750
Donations	9,000	6,500
Surplus	78,855	73,250
Add: Prev. surplus	400,379	327,129
Carried forward	479,234	400,379

Quick Assets Large

The high degree of liquidity of the bank's resources is a feature of the 1933 statement; quick assets being in excess of liabilities to the public. The report shows assets totalling $59,832,985, as against $60,907,618 a year ago. Deposits bearing interest aggregate $52,880,180 compared with $54,277,888 at the end of 1932. Not interest bearing deposits, charity donation fund and other liabilities do not show any material change.

Capital stock and reserve fund remain unchanged at $2,000,000 and $2,200,000, respectively.

Minor Changes Noted

Among the bank's assets cash on hand and in chartered banks has dropped about $800,000 to $6,092,453. Dominion and provincial government bonds are up approximately $600,000 to $22,893,218, while City of Montreal and other Canadian municipal bonds have declined nearly $500,000 to $21,294,068.

Canadian municipal school bonds held by the bank total $57,716, while corporation bonds at $2,498,182 are practically the same in value as a year ago. Sundry securities are carried at the same figure, namely, $200,000.

Call and short term loans aggregate $5,419,266, compared with $5,766,728 in 1932.

Property Values Low

Bank premises are shown on the books as having a value of $1,170,000. In this connection the president, Hon. Raoul Dandurand, says that the property held is free of any encumbrance and is shown in the report at about one third of estimated municipal value.

Other items in the report show little or no change and do not have any particular bearing on the balance sheet as a whole.

Foreign Exchange

HEAVY flow of gold from the London bullion market and European sources to the United States appears to be gradually adjusting the American dollar to its new 59 cent gold parity. This flow is expected to continue until the adjustment is made and perhaps even after that, depending on what European currencies do. The drain of French gold, for instance, may persist if the franc does not recover from its decline on political unrest.

Canadian dollars have followed American money closely in the downward movement towards 59 per cent of former parities. But the pound sterling, after its initial slump following American devaluation, has remained at about 62 per cent of its gold par, basing calculations on the London bullion market. If sterling is to become adjusted to its old par in New York and Canada, gold will have to rise in London from about 137s. to about 143s. 10½d. This could be effected by purchases of gold in London by the United States, the same thing as selling dollars.

* * *

POINT of the situation is that both sterling and American dollars have been slow to sink to 60 per cent gold. Experts believe that the American dollar is undervalued, hence expectation of continued inflow of gold. But the sterling position is considered puzzling because it has been widely supposed that it was over-valued at $5. If this supposition was correct, sterling may be expected to decline carrying the Canadian dollar with it; or else British and Canadian price levels may decline (or rise less) in relation to American prices to compensate.

FOREIGN EXCHANGE

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Feb. 6	⅞	¾	19⅛	17⅞
Feb. 7	1	⅝	18⅞	18½
Feb. 8	⅞	13/16	18 13/16	18 11/16
Feb. 9	13/16	⅞	19⅞	19¼
Feb. 10	⅞	⅞	20 1/16	20
Feb. 12	⅞	⅞	20 1/16	19⅞

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Feb. 6	4.97	.0631	.0840
Feb. 7	4.98¾	.0634½	.0844
Feb. 8	5.01¾	.0644	.0857
Feb. 9	5.02	.0643½	.0857½
Feb. 10	5.02¾	.0648	.0861½
Feb. 12	.....	......	....

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Feb. 6	5.01	0.0638	0.0850
Feb. 7	5.04	0.0641	0.0851
Feb. 8	5.06	0.0650	0.0865
Feb. 9	5.06½	0.0649	0.0865
Feb. 10	5.07	0.0653	0.0869
Feb. 12	5.08	0.0657	0.0876

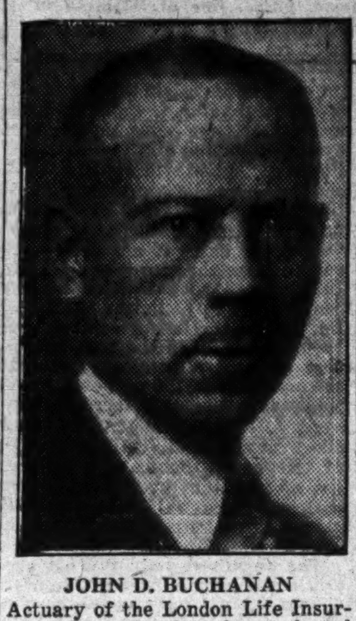
	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Feb. 6	0.3842	0.2258	0.3024
Feb. 7	0.3863	0.2267	0.3055
Feb. 8	0.3904	0.2300	0.3051
Feb. 9	0.3896	0.2295	0.3051
Feb. 10	0.3922	0.2305	0.3051
Feb. 12	0.3925	0.2306	0.3051

F. C. Ridley is Chairman Hamilton Clearing House

F. C. Ridley, manager of the Bank of Montreal, was elected chairman of the Hamilton Clearing House at the annual meeting held on February 8. P. B. Reeve, manager of the Imperial Bank was elected vice-chairman.

The committee of the Hamilton Clearing House also includes, A. E. Taylor, manager, Canadian Bank of Commerce; John Stephen, manager, Bank of Toronto and Thomas Peacock, manager, Royal Bank of Canada. Arthur C. Rowe was re-elected manager and secretary-treasurer.

Heads Chamber



JOHN D. BUCHANAN

Actuary of the London Life Insurance Co., who has been elected president of the London Chamber of Commerce.

WATERLOO TRUST BUSINESS IS UP PROFIT SMALLER

Earned 8.86 p.c. on Capital — Sets Up Investment Reserve

Waterloo Trust & Savings Co. had net profit of $102,463 in 1933 After deducting Federal income tax, the company earned 8.86 per cent on paid-up capital of $1,000,000 and paid 5 per cent in dividends. In 1932, the company earned 9.07 per cent and paid 6½ per cent.

Business of the company was increased with assets in estates, trusts and agencies account up to $3,717,578 from $3,493,138. General guaranteed investment receipts outstanding are down to $3,557,239 from $3,640,707 while trust deposits are down to $4,166,810 from $4,187,931. It is stated that there were 700 more accounts opened during the year than closed. Ratio of cash, government and municipal bonds and demand loans to deposit liabilities is 61.9 per cent.

In guaranteed trust account the company holds $192,647 in cash, $99,135 in demand loans and $2,425,255 in bonds of which $800,690 is in government and government guaranteed bonds and $1,390,582 is in municipal bonds. Principal of mortgage loans is down to $5,081,268 from $5,325,653 and interest due and accrued is up to $150,744 from $147,112.

Arrears are Small

In capital account, investment in bonds and debentures is down to $372,122 from $910,999. Loans on the company's stock and other securities are down to $374,955 from $418,484.. Real estate, other than premises, is up to $200,346 from $85,298. Advances to estates under administration are shown at $16,345 and advances to guaranteed trust account amount to $225,000.

The company's loans on urban mortgages total $5,182,198 and arrears of interest on this principal amount total $40,377, or less than 1 per cent. Ontario farm mortgages, totalling $143,561, have arrears of $2,642, or 1.84 per cent, Western loans total $224,641 on which little has been collected in interest in the past two years. Provision has been made in contingency reserves to offset any permanent shrinkage in values.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928	750,000	99,762	7	13.30
1929	1,000,000	119,759	7	11.97
1930	1,000,000	122,764	7	12.27
1931	1,000,000	100,062	7	10.09
1932	1,000,000	‡90,666	6½	9.07
1933	1,000,000	‡88,663	5	8.86

*Income tax deducted.

‡Before deducting amount written off for depreciation.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	6,378,799	1,546,219	300,000
1929	6,868,166	2,006,302	400,000
1930	7,503,039	2,331,474	450,000
1931	7,883,503	2,554,993	450,000
1932	7,828,638	3,493,138	*400,000
1933	7,949,048	3,717,578	*400,000

*Includes $200,000 investment reserve.

St. Coeur-de-Marie Revenue Low

Quebec Municipal Commission advises that the school corporation of the village of St. Coeur-de-Marie, Quebec, cannot make any payment on its bonds at the present time. The school corporation, it is reported, is unable to collect a sufficient amount of taxes to meet the payments of the current administration.

MONTREAL TRUST REGISTER SURPLUS DURING PAST YEAR

Earnings on Lower Level — Trusts and Accounts Are Maintained

From Our Own Correspondent

MONTREAL—Though revenues of the Montreal Trust Co were somewhat smaller in 1933 than in 1932, income was sufficient to take care of the usual reserves plus the regular dividends on the capital stock, with a small balance to be carried forward into the profit and loss account.

In presenting the report to the shareholders at the annual meeting, Sir Herbert Holt, president, said that earnings last year reflected the lower level of business generally, but that if the improvement noted in recent months continued, the company would have no difficulty in maintaining dividends.

Securities at Market

He further stated that the company's security investments were taken at market values and that mortgage investments were practically all in good standing and that these were, for the most part, secured by city properties in Quebec province, only 10 per cent being in the western provinces and of these less than $6,000 are on farm properties in the Prairie Provinces.

Net profits last year totalled $434,352 compared with $526,069 in 1932. After taking care of the different appropriations and payment of dividends, there was a balance of $24,653, as against $114,311 in 1932. Particulars of the income account follow:

	1933 $	1932 $	1931 $
Net prof.	434,352	526,069	630,070
Inc. ban. res.	79,699	61,758	75,347
	345,653	464,311	554,723
Dividends	320,000	340,000	340,000
	34,653	124,311	214,723
Pension fund	10,000	10,000	10,000
Surplus	24,653	114,311	214,723
Prev. surp.	462,185	347,874	143,151
P. and L. bal.	486,838	462,185	347,874

Accounts Are Lower

The company's balance sheet shows assets totalling $7,889,706 at the close of 1933. This compares with $8,236,035 at the end of the previous year. There is no change in the capital or reserve account. Guaranteed accounts are slightly lower, amounting to $2,695,574 compared with $3,038,688 a year ago. Other items among liabilities do not show any material change.

Montreal Trust's guaranteed trust account stood at $17,963,207 at the end of 1933 as compared with $18,940,882 in the previous year. This account is secured by $13,881,419 of call loans, $2,189,041 of investments and $1,892,746 of cash.

Estates, trusts and agency accounts under the supervision of Montreal Trust aggregated $799,910,729 at the end of last year, a gain of a little better than $1,000,000 over 1932.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate %	Rate Earned %
1928	2,000,000	420,500	12	21.0
1929	2,000,000	523,220	14	26.1
1930	2,000,000	551,818	16	27.5
1931	2,000,000	554,723	17	27.7
1932	2,000,000	464,311	17	23.2
1933	2,000,000	354,653	16	17.7

*Tax reserve and subscription to hospital deducted.

Year	Guar. Account $	*Estates under Adminis. $	Total Reserves $
1928	24,540,650	360,260,604	2,000,000
1929	25,033,246	602,392,067	2,000,000
1930	35,553,336	729,119,575	2,500,000
1931	24,040,408	760,824,823	2,500,000
1932	18,940,882	798,633,588	2,500,000
1933	17,963,207	799,910,729	2,500,000

*Including agencies (safe custody).

The only new name on the board is that of C. H. Carlisle, president of the Dominion Bank and the Goodyear Tire and Rubber Company of Canada who fills the vacancy caused by the recent death of W. M. Macpherson.

Weekly Bank Clearings

	Feb. 8 1934 $	Change year ago %	Feb. 1 1934 $
Halifax	2,080,453	+18.8	1,677,513
Saint John	1,543,171	+14.6	1,500,143
Moncton	618,091	+17.3	488,335
Sherbrooke	524,408	+11.1	439,309
Quebec	4,179,191	+18.3	3,312,593
Montreal	87,193,712	+6.6	81,809,067
Ottawa	4,386,535	+16.5	3,339,862
Kingston	508,236	+5.7	374,951
Peterborough	572,871	+27.4	482,960
Toronto	97,134,464	—0.6	95,375,488
Hamilton	4,000,075	+31.7	3,275,171
Kitchener	952,244	+42.0	867,142
Brantford	780,162	+7.4	620,708
London	2,419,190	+15.0	2,095,065
Chatham	489,185	+37.2	480,012
Windsor	2,164,691	+13.0	1,733,114
Sarnia	388,567	+12.5	222,376
Sudbury	505,012	+4.5	533,416
Fort William	612,770	+26.3	370,451
Winnipeg	28,481,358	+25.4	36,429,189
Brandon	265,706	+16.7	222,141
Moose Jaw	488,721	+14.1	348,146
Saskatoon	1,161,282	+9.7	843,079
Pr. Albert	255,358	+28.3	188,875
Edmonton	3,934,229	+45.3	3,042,047
Calgary	4,654,523	+17.8	4,160,737
Medicine Hat	201,433	+33.1	145,303
Lethbridge	355,156	+34.7	326,735
N. W'minster	447,788	+10.6	424,047
Vancouver	14,297,780	+30.0	13,558,566
Victoria	1,607,943	+29.7	1,353,593
Regina	2,531,587	+1.4	2,383,833

MONEY ORDERS
in CANADIAN, UNITED STATES
and STERLING FUNDS

1 CANADIAN FUNDS
2 UNITED STATES FUNDS
3 STERLING FUNDS

- Money Orders drawn in Canadian Funds are payable at par at all banks in Canada (excepting the Yukon District.)
- Money Orders drawn on New York are cashed in United States funds or the equivalent at current rates of exchange in all countries.
- Money Orders in Sterling are drawn on London and may be cashed in all countries at current rates of exchange.

Your remittance is safe when you use Imperial Bank of Canada Money Orders.

MONEY ORDERS SOLD AT EVERY BRANCH

IMPERIAL BANK OF CANADA
HEAD OFFICE · TORONTO
Branches throughout Canada

BRITISH MTGE. CAPITAL EARNED 10.39 P.C. IN 1933

Investment Reserve of $125,000 is Set Up — Liquidity Higher

British Mortgage & Trust Corp., Stratford, Ont., had net earnings of $103,930 in 1933, or 10.39 per cent on paid-up capital of $1,000,000. This compares with 12.69 per cent earned in 1932. W. H. Gregory, managing director of the company, states that any overdue interest that appeared at all doubtful of collection was not taken into 1933 earnings and because of this conservative action the reduction in earnings is more apparent than real. The general reserve fund was reduced to $700,000 by transferring $125,000 to a special investment reserve.

Assets in the estates department were increased to $642,308 from $593,307. In guaranteed trust account there is shown reduction in deposits to $1,799,614 from $1,917,523 and in guaranteed investment receipts to $3,047,117 from $3,138,285.

Improvement is shown in liquid position. In guaranteed trust account, cash is up to $92,713 from $31,604 at the end of 1932; municipal bonds are down to $127,458 from $143,140 but $8,200 of government bonds have been added. Principal amount of mortgages is down to $4,490,343 from $4,767,823 while interest due and accrued is up to $127,942 from $113,241. Strictly liquid assets in guaranteed trust account and capital account amount to some 33 per cent of deposit liabilities.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Earned Per Share $
1928	† 700,000	121,529	12+2	17.36
1929	700,000	145,975	12+2	20.85
1930	† 782,700	149,668	12+2	19.13
1931	†1,000,000	138,356	*12	13.83
1932	1,000,000	126,052	12	12.60
1933	1,000,000	103,929	10	10.39

*Stock dividend of 25 per cent paid April 15, 1931.

†Capital increased during year.

Year	Guar. Account $	Estates Under Adminis. $	Total Reserves $
1928	4,705,089	263,752	800,000
1929	5,111,782	289,378	830,000
1930	5,058,606	378,577	1,000,000
1931	5,176,375	566,489	825,000
1932	5,055,808	593,306	825,000
1933	4,846,730	642,308	*825,000

*Includes special investment reserves, $125,000 transferred from general reserve in 1933.

In capital account cash is up to $41,596 from $11,336; government bonds are down to $115,715 from $170,944; but government guaranteed bonds to the amount of $45,268 have been added. Municipal bonds show slight change at $177,390 while investment in other bonds and stocks is down to $274,701 from $374,226. Principal amount of mortgages held in capital account is down to $997,873 from $1,148,936 while interest due and accrued is slightly higher at $38,542. There is shown $221,695 of mortgage principal assigned for loans amounting to $155,901, the difference of $65,794 being shown as an asset. Real estate for sale is up to $195,004 from $95,004. Premises are carried at $87,000.

JOHN COTTON'S
TOBACCOS
"From the Land of the Heather"

The man who loves his pipe finds in JOHN COTTON'S a tobacco that brings comfort, peace, and relief from worry, coming as it does from an older and more placid world. There is no finer tobacco made than JOHN COTTON'S—"Scotland's Best."

In three strengths — Mild - Medium - Strong
1 ounce tin, 25c 2 ounce tin, 50c 4 ounce tin, $1.00

Sir H. Laporte Suggests Investors be Protected

Addressing shareholders of the Provincial Bank at the annual meeting held recently Sir Hormisdas Laporte expressed the belief that the depression is slowly becoming a thing of the past. He advocated greater curtailment of expenditures by public bodies in order that indebtedness can be reduced. Direct relief should be gradually eliminated and replaced by productive employment for those in need of assistance. Because industry cannot depend upon short term credit for financing of fixed assets, he recommends that steps be taken to protect the investing public when buying fixed income bonds.

Fire Prevention PAYS

Record of Dividends Paid to Policyholders

YEARS	
1901-1905	$357,342.03
1906-1910	$643,996.16
1911-1915	$1,017,446.09
1916-1920	$2,184,739.62
1921-1925	$4,834,132.63
1926-1933	$10,815,563.91
TOTAL 1901-1933	$19,853,220.44

Co-operation Between Property Owners and Insurance Company Resulted in Our Policyholders Receiving $1,013,250,12 in Dividends During 1933

These Dividends Paid to Policyholders Represent Savings to Property Owners Based on Charging Standard Rates

A Tribute to Mutual Principles and Sound Conservative Management

Complete Organization Returns
YEAR 1933

Premiums written	$ 6,464,727.24
Return Premiums	1,665,286.24
Net	$ 4,799,441.00
Losses paid to Policyholders	2,339,918.11
Dividends paid to Policyholders	1,013,250.12

Since Organization

Losses paid to Policyholders	32,383,182.41
Dividends and Savings to Policyholders	19,853,220.44

Canadian Operations
YEAR 1933

Premiums written	$ 1,092,457.68
Return Premiums	318,935,16
Net	$ 773,522.52
Dividends paid to Policyholders 1933	222,861.82
Dividends paid to Policyholders since organization	2,908,333.62
Total admitted Assets	4,393,206.52
Net Cash Surplus	1,021,194.32
Special Reserve	75,000.00

WRITING FIRE AND AUTOMOBILE INSURANCE AT ACTUAL COST

Northwestern Mutual Fire Association
(Retail Merchants Insurance Department)
CANADIAN HEAD OFFICE — HAMILTON, ONTARIO
BRANCH OFFICES:
Vancouver Edmonton Saskatoon Winnipeg Toronto Ottawa Montreal St. John
Halifax Victoria Calgary Quebec City

The Western Life Assurance Co.

Reports Very Successful Year

THE WESTERN LIFE ASSURANCE COMPANY had a very successful year in 1933.

NEW INSURANCE written amounted to $1,493,013 as against $1,260,404 for the preceding year, being an increase of 18%. The terminations, however, owing to the depression, were exceedingly heavy, with the result that at the close of the year the total amount of insurance was reduced some $700,000.

MORTALITY. During the year 1933 the Company continued to have a very favorable mortality experience, the total claims incurred amounted to $30,566.55, being $2,000 higher than in 1932, and $24,000 less than the expected mortality.

EXPENSES. The expenses of management were materially reduced, being $78,909.11 as against $88,067.06 in 1932.

SURPLUS FUNDS. The surplus funds of the Company were increased by some $62,516, bringing the surplus up to $397,516, including capital.

It will thus be seen that the Company is maintaining a strong financial position.

RATIO OF ASSETS. The Company's assets are distributed as follows—

Bonds, Stock and Cash	21%
Mortgages (all urban)	46%
Policy Loans	25%
Accrued Interest	2%
Real Estate	2%
Outstanding and Deferred Premiums	4%
	100%

The Company has no farm loans.

The amount of money paid to policyholders during the year 1933 totalled $312,539.28, consisting of surrenders, death claims and dividends.

W. E. MILNER, *Managing Director.*

J. M. CARRUTHERS, *President.*

NOR. MUTUAL FIRE REPORTS GOOD YEAR

Casualty Affiliate to Extend Operations to Ontario Field

An improvement in loss ratio and a net gain from operations for the year of $315,000 as compared with a debit of $145,000 in 1932 are reported in the 1933 statement of Northwestern Mutual Fire Association. The company also announces that it plans to extend the operations of its affiliate the Northwest Casualty Co. into the Ontario field to take care of automobile liability insurance for present policyholders in the fire company. Northwest Casualty already operates in British Columbia having been licensed to operate in Canada under federal charter since 1930. It has net admitted assets of $1,002,000 and a net cash surplus of $262,418.

No loss figures are available as yet covering Canadian operations of the Northwestern Mutual but gross premiums written in Canada (less returns but inclusive of reinsurance) were $773,522 as compared with $798,546 in 1932.

For its entire operations the company reports a decline in premium volume of $500,000, the 1933 figure (net premiums written) being $4,800,000. Ratio of losses incurred to premiums earned was 37.6 per cent compared with 46.8 per cent a year ago. The Canadian loss ratio is understood to be somewhat higher than this. Expense ratio for the entire company was slightly higher than in 1932 at 39.4 per cent this being ratio of expenses to net premiums earned.

Total admitted assets at the end of 1933 are shown at $4,393,000 an increase over 1932 of $140,000. Net cash surplus is sharply higher at $1,021,000 compared with $705,700 in 1932. Reserve for contingencies is unchanged at $75,000. Dividends paid to policyholders were slightly over a million dollars in 1933, the total paid since organization now amounting to $19,853,000.

Prudential Bonus in 1934 Same as Previous Year

In an item dealing with the bonus additions of the Prudential Assurance Co. of England appearing in The Financial Post last week, it was stated that the bonus additions this year were slightly lower than last.

This was an error, the bonus being exactly the same as in 1933. The additional bonus paid at this time in 1933 was withheld from March, 1932.

Western Empire Life Reports Assets $1,910,483

Preliminary figures on 1933 operations reported by Western Empire Life of Winnipeg show the company to have total assets at the end of 1933 of $1,910,483 as compared wth $2,023,000 at the end of 1932. Surplus to policyholders exclusive of capital stock is $16,000 lower at $233,000 while contingency reserve is lower by $10,000 at $100,000.

During 1933 the company paid $166,000 to policyholders and beneficiaries.

The Life Underwriters Association of Toronto held a sales congress on Feb. 15. Guest speaker at the luncheon was A. R. Courtice, manager of the estates analysis department of the Toronto General Trusts, who spoke on "Wills."

THE
MONARCH LIFE
ASSURANCE COMPANY
A PROGRESSIVE CANADIAN COMPANY

Special Reserves and Surplus
OVER ONE MILLION DOLLARS

Offices in Principal Canadian Cities

50 Years of Service

STRICT adherence to a policy of sound underwriting and conservative investment since 1884 has enabled this Company to provide adequate protection, unfailing security and prompt, courteous service always.

All reinsurances are effected through Lloyds of London, England. A deposit is maintained with the Dominion Government.

Est. 1884

The PORTAGE LA PRAIRIE Mutual Insurance Company
Portage la Prairie, Man.

Fire - Automobile - Burglary - Windstorm - Plate Glass - Sprinkler Leakage

TORONTO VANCOUVER EDMONTON MONTREAL

THE
WESTERN EMPIRE LIFE
ASSURANCE COMPANY

Assets	$1,910,482.75
Liabilities, excluding Capital	$1,677,217.51
Surplus	$ 233,265.24
Contingency Reserve	$ 100,000.00
Paid Policyholders and Beneficiaries during 1933	$ 166,145.93

HEAD OFFICE - WINNIPEG, MAN.

Branch Offices:
Winnipeg Regina Calgary Edmonton Vancouver

Insurance for Buyer and Seller

GUARANTEE CO. PROFITS LOWER ON 1933 RETURNS

Volume of Business Handled by Company Holds Up Well

From Our Own Correspondent

MONTREAL — Revenue of the Guarantee Co. of North America declined to the extent of about $38,000 in 1933, with the result that it was necessary to appropriate $50,000 from reserves in order to cover the regular dividends on capital stock.

The volume of business handled by the company last year compared favorably with 1932. The gross amount of risks in force at December 31 last was $128,900,000 compared with $137,404,000 the same date last year. Net premiums written during the year were $409,194, or approximately $15,000 more than in the previous year. Net losses were approximately $34,000 less and totalled $112,327.

Regular Payment on Stock

Total profits in 1933 amounted to $134,628. This compared with $172,950 in 1932. After making the usual appropriations and paying a regular dividend of 12 per cent and a bonus of 20 per cent on the capital stock and allowing the transfer of $50,000 from reserves, there was a balance of $19,166 bringing the surplus to shareholders up to $2,901,157.

Comparative profit and loss account figures, as well as the income and expenditure statement follow:

	1933	1932	1931
	$	$	$
From underwriting	*32,580	*8,297	†31,676
Prof. from inv.	167,208	181,247	187,827
Total profits	134,628	172,950	219,503
Dec. in val.	62,079	9,092	88,511
Balance	72,548	163,857	130,992
Deduct:			
Real est. deprec.	5,916	6,061	6,217
Res. for conting.	......	50,000	......
Divs. & bonus	97,472	97,472	97,472
Add: Trans. from res.	50,000	......	......
Totals	53,382	153,533	103,689
Car. to surp.	19,166	10,323	27,302

* Loss.
† Profit.

Income and expenditure figures compare as follows:

	1933	1932	1931
	$	$	$
Premiums	516,265	483,075	500,606
Int. & rents	210,785	232,602	243,740
Total inc.	727,050	715,677	744,346
Deduct:			
Underwrit.	288,983	284,960	279,680
Re-ins.	107,070	89,501	86,065
Losses paid	112,327	146,515	124,203
Inv. exp.	42,956	51,281	56,404
P. & L. items	66,863	14,819	94,352
Total exp.	618,202	587,077	640,706
Balance	108,848	128,600	103,640
Div. & bonus	97,472	97,472	97,472
Surplus	11,376	31,128	6,168

Stocks and Bonds Up

At the end of 1933 the balance sheet showed assets of $4,328,247. Among liabilities premium reserve is slightly higher at $233,875. Claims have advanced about $17,000 to $187,370. Other liabilities are slightly larger, while reserves have been reduced from $650,000 to $600,000. No change has taken place in the issued capital, while the surplus stands at $2,901,157.

NORTHERN RAISES POLICY DIVIDENDS

Satisfactory Year Reported at Annual Meet in London

A considerable increase in policyholders' dividends commencing January 1, 1934, was announced at the annual meeting of the Northern Life Assurance Co. held at London this week. The increase was authorized as a result of the increased earnings of the company in 1933.

R. G. Ivey reported 1933 as the most successful in the company's history with surplus earnings having risen to record figures. Part of these surplus earnings have been used to establish a reserve of $114,280 against specific first mortgages and real estate which may have depreciated in value, and the balance used to write off completely some doubtful assets and to increase the free surplus, over all liabilities including capital, to $116,142.

G. W. Geddes, general manager and actuary reported a 6 per cent increase in new business paid for and total business in force of $45,000,000. He referred to the good mortality record of 1933 as evidence of the care in selection exercised in past years. The ratio of actual to expected claims was given as 8 per cent less than 1932. Operating expenses of the company were still further reduced in 1933 so that the expense ratio for the year was the lowest in the history of the company.

IMPROVEMENT SEEN FOR WESTERN LIFE

Company Comes Through Difficult Year With Increased Surplus

Gains in new business issued and in both surplus and reserves are reported for 1933 by Western Life Assurance Co. of Winnipeg. Total business written was higher by 18 per cent than a year ago at $1,493,000, although business in force showed a decline of $700,000 due to heavy terminations. Business in force is now just over the $7,500,000 mark.

Other favorable factors reported were a continued favorable mortality experience and a material reduction in the expenses of management. The heavy demand for cash surrender values and maturity payments caused an increase under this head of $150,000, total payments to policyholders (exclusive of death payments) being $282,000. Accordingly expenditures exceeded income by almost $100,000.

Reduced liabilities in respect of policy reserves considerably improved the financial position of the company and the new statement shows an increase of $10,000 in contingency reserve and a gain of over $52,000 in free surplus. Total funds available for policyholders and inclusive of capital stock now total almost $400,000. Assets are lower at $1,600,000 of which 21 per cent is invested in bonds, stocks and cash; 46 per cent in urban mortgages and 25 per cent in policy loans.

Comparative figures follow:

	1933	1932
	$	$
New ins. written	1,493,000	1,260,000
Bus. in force	*7,578,000	8,277,784
Total assets	1,600,672	1,783,383
Total income	402,334	291,585
Policy reserves	1,080,833	1,287,522
Free surplus	209,476	156,644
Conting. res.	50,000	40,000

*Approximate.

MONEY AVAILABLE FOR INVESTMENT SAYS GREAT-WEST

Many Favorable Features of 1933 Operations Are Reported

That Great-West Life Assurance Co. will now embark on a policy of investing in short term bonds, was indicated by C. C. Ferguson, general manager of the company, at the annual meeting held in Winnipeg, February 6.

Mr. Ferguson pointed out that in the past two years, the company had thought it wise to maintain a considerable amount of cash in the banks in order to meet any needs which might arise. This need has not arisen and with a considerable improvement in cash income over outgo, Mr. Ferguson reported that the company had "come to the conclusion that we can sufficiently preserve liquidity by investing, in short term bonds, the funds which we have been hitherto retaining in the banks."

Interest Earnings Gain

Referring to the year's operations Mr. Ferguson reported the company had enjoyed a slight improvement in its mortality rate; a slight increase in interest rate earned to 5.41 per cent as compared with 5.36 per cent the previous year; and an increase in new business and in surplus. Free surplus at the end of 1933 was shown at $2,235,000 as compared with $2,130,000 the previous year. This was accomplished after an additional write down of book values by $1,735,000 and an increase in the reserve for unreported claims of $50,000.

In commenting on the company's balance sheet, George W. Allan, president of the company, reported that in valuing assets the company had omitted 45 per cent of all outstanding interest; had valued bonds and debentures of $44,733,000 as against par values aggregating $47,370,000; and had written down mortgages, real estate and real estate sold to "what we believe is a close approximation to their intrinsic work."

Mr. Allan also reported that during the year, the company made an additional provision of over half a billion for outstanding interest and wrote down investments by $1,735,000. He reported that the company during the past year estimated that the market value of all its bonds, debentures and stocks had increased by about $4,000,000, although investment in such securities increased by only one and a half million.

Converting Into Cash Stockbroker's Interest

Master Plan First Essential in Partnership Insurance—Best Results if One Underwriter Plans Case — Calling for Tenders Produces Chaos—Other Questions Answered

By R. M. HAULTAIN

This article consists of five questions and answers on the purchase by the survivors of deceased partner's interest in an un-incorporated partnership.

Plan for Stockbrokers

Question (1)—George, Bill and Tom are the partners in a firm of stockbrokers, each holding an equal interest.

The firm's net worth, including stock exchange seat and goodwill, is $300,000.

Each man has underwritten the interest of each of his partners to the extent of $25,000. There is thus $50,000 available to buy the $100,000 interest of the first to die.

There is a short agreement in writing stating simply that the two survivors agree to buy the interest of the first to die.

What are the weaknesses?

Answer—There are two fundamental weaknesses.

(1) Their agreement is inadequate and invites hard feeling between the surviving partners and the deceased's family as outlined in previous articles of this series.

(2) Their agreement should be financed if practicable by insurance to the full value of each man's interest.

Defects Examined

(1) Their short agreement lacks the following essentials:

Appointment of an impartial corporate trustee who can be counted on to be on hand ten, twenty, or thirty years from now to make an impartial valuation of the deceased's interest on a stated definite valuation method. As matters stand the short agreement would place the deceased's executors at great disadvantage with respect to realizing a proper value for the deceased's interest.

(2) As the insurance covers only half the present value of each man's interest, the temptation to the survivors would be strong to offer that amount only for their interest in the firm and thus avoid the necessity for each survivor to find another $25,000 to complete the purchase. In a proper agreement this tendency is overcome by a stated valuation method.

The Solution

Step (A). To draw immediately a proper friendly agreement constructed on the following skeleton.

(1) Purpose of agreement and description of policies which finance it.

(2) Responsibility for premium deposits.

(3) Appointment of impartial valuation trustee.

(4) Method of valuation of tangible assets.

(5) Method of valuation of goodwill.

(6) Terms of payment of balance of purchase price not met by insurance monies.

(7) Disposition of policies affected in event of partner withdrawing.

(8) Disposition of policies in event of dissolution of partnership.

(9) Agreement to be amended or voided by mutual consent.

(10) Cash values of policies available for emergencies by mutual consent.

(11) Commitment of survivors to buy and of executors to sell.

Step (B). To bring the insurance up to the full value of each man's interest as soon as practicable, probably step by step as earnings warrant, because the survivors do not want to be saddled with $25,000 each in promissory notes to be met. From the viewpoint of the deceased's family a guarantee that the partners will be able to meet the notes is difficult to get.

Master Plan Necessary

Question 2.—Should business insurance be bought by calling for tenders as in buying sand or gravel, or should one life underwriter be retained to construct the master plan?

Answer.—This is best answered by an example which is typical of many, showing why the system of calling for tenders as employed in other types of business, fails to produce the master plan and causes costly complications.

Stevens, a seasoned business insurance underwriter, had proposed partnership insurance to two partners who finally agreed that they should have it. It transpired that one partner had a brother-in-law and the other a friend in different branches of the business of insurance. Each partner wished to place his own policy in this way and did not see the need for Stevens to participate at all.

The senior partner, however, in an effort to be fair, said: "There are three of you men involved. Our usual procedure when we are in the market for anything is to call for tenders. The man, therefore, with the lowest premium rates gets the business."

Stevens' argument that the master plan was of far greater importance than a few cents difference in a policy rate did not carry the day. Stevens said he could not quote without an examination of the situation as he did not know what type to quote on.

The brother-in-law quoted a short term insurance policy with a double indemnity accident benefit that looked like a lot of protection for the initial premium, and was awarded the business.

Stevens Finds Weaknesses

Stevens never disparages a competitor. He knew that the other two insurance men were well qualified in their own subjects but he had his doubts about their knowledge of business insurance.

A few weeks later he decided to call on the partners to see if the case had been properly handled. He asked the senior partner whom he had named in his will as his executors. The partner thought this question irrelevant to partnership insurance. He rather suspected that Stevens having lost out on the case was out to sell him something else.

Stevens stuck to his guns however and found that the man's wife and his partner were his executors and trustees under a will drawn before the present partnership existed. He did not know who his partner's executors were.

"Why your partner as an executor and trustee?" said Stevens.

"Because," said the senior partner, "he knows more about this business than any outsider possibly could, and his knowledge of it will be useful to my family."

"Very true," said Stevens, "but there are better ways than that of getting the benefit of his knowledge of the business. Have you been informed that it is extremely doubtful if any court in the land would permit your partner to buy your interest from your estate when he is an executor and trustee under your will? It is a firmly established principle that a trustee has not the right to purchase, as a matter of course, a trust asset. Furthermore, your wife and your partner can be good friends as such, but the interests of your widow and of your surviving partner are at such variance that the chances are remote of their being able to see eye to eye as executors and trustees of your estate. You are placing both of them in a very awkward position. The fact that this man has become your business partner since your will was drawn makes a change in your will very desirable." (See the two articles of this series immediately preceding for the clash of interests between the surviving partner and the widow).

"Also, have you a clearly defined method of valuation of the business in the partnership insurance agreement which accompanied your policies?"

"No," said the partner, "My brother-in-law said we should have an agreement so my partner and I wrote one out but we did not put that in it."

No Master Plan

Stevens found also that there had been no master plan followed in the construction of the agreement or the issue of the policies to finance it. One policy was payable to the applicant's estate and assigned to the other partner while the other policy was payable to the applicant's partner direct. The firm was making the premium deposits.

The agreement was a five line affair stating that each partner agreed to buy the other's interest in the event of the death of one of them.

By this time Stevens had convinced both partners that their partnership insurance had better be straightened out and interlocked with their other arrangements by someone who understood it. Also that they had better see a lawyer about proper wills to cover the new situation.

Today Stevens is that firm's insurance adviser on Life Insurance matters. He does not know enough about fire insurance to handle the fire insurance on his own house, so has nothing to do with that side of the firm's insurance.

Moral is Plain

The moral appears quite plain. Business insurance needs hard study. Those who have studied it for years are the most cautious and constantly obtain legal advice on points that arise.

A master plan is required that must be watched for changes in your business situation from year to year. Place your case, therefore in the hands of the life underwriter in your community in whom you have the most confidence. Let him plan it. Give him all the information he needs. If part of the insurance which finances the agreement is to go in any particular direction for business or private reasons, instruct him to that effect, but let him supervise the issue of it to fit the master plan. Then let him adjust the plan from year to year to fit changing conditions.

It should be borne in mind that in buying business insurance taking out a life insurance policy is a small end of it. You are planning the future of your business and of all those who depend on it. And the business insurance underwriter has facilities for tapping the pooled experience of men in various fields who are qualified to give opinions on the various angles.

Un-financed Plan Inadequate

Question 3. A business insurance underwriter is informed by a partner that he and his associate already have an arrangement in their original partnership agreement to take care of the death of either of them.

What should the underwriter do?

Answer.—This is a common form of reply, and tells the underwriter at once that the partners have probably not thought the financing of the purchase through. The chances are that no money supply has been arranged, and that the lawyer who drew their partnership agreement advised them to have partnership insurance as soon as practicable.

The underwriter should therefore ask if the purchase of the deceased partner's interest is financed by an outside money supply available in the right amount exactly when needed so that the survivor can pay cash for the deceased's interest.

The Professional Partnership

Question 4. How should a non-trading professional partnership be treated from the business insurance viewpoint, such as a legal or accountancy firm, where there are no physical assets beyond office equipment, and the value lies in the personal earning power of the partners plus the goodwill?

Answer.—Stock insurance payable to the firm to cover any liabilities for which the surviving partners might be liable. Also a small amount of partnership insurance to finance the purchase of each other's tangible interest. Each partner should rely mainly on his personal estate rather than on the proceeds of a Business Life Insurance Trust Agreement between the partners.

Unequal Interests

Question 5. Black, White and Gray are partners in a firm with a net worth of $60,000.

Black's interest is 70 per cent, or $42,000.

White's interest is 15 per cent, or $9,000.

Gray's interest is 15 per cent, or $9,000.

Black is 56 years old, White, 36 and Gray 32.

Black has no desire to buy White's or Gray's interest. White and Gray are interested in buying Black's interest.

White can afford full insurance on Black's life to finance the purchase of Black's interest, but Gray can afford a maximum of $6,000 only, enough to buy one-seventh of Black's $42,000 interest.

How might the case be worked out?

Answer.—Facts summarized in the two preceding articles indicate that it is healthy business practice from all viewpoints for White to take up the balance of six-sevenths of Black's interest by insuring Black for $36,000, after Gray has taken all he can reasonably afford.

The trust agreement might well state that Gray is to have the option, should he so desire when he can afford to, of taking over a portion of the insurance on Black's life sufficient to make White's and Gray's interests in the firm equal on Black's death.

By handling the case in this manner, Black's health has been capitalized and the full amount of insurance obtained while he is insurable. Men of 56 are overhauled very closely by the examining doctors.

As the arrangement is interior and the purpose friendly, sometimes a special drawing account with a repayment arrangement is opened to finance a partner in Gray's situation.

This is article nine of the second series on Business Insurance, written for The Financial Post by R. M. Haultain. The next article of this series of eighteen will discuss the sole ownership business.

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Head Office—Wawanesa, Man.

DOMINION LIFE
45th Annual Statement
Shows Strong Position

HIGHLIGHTS OF ANNUAL REPORT

Assets	$ 26,357,434
Policy and Annuity Reserves	21,977,690
Payments to Policyholders and Beneficiaries	3,481,998
Insurance in Force	145,117,527
Excess of Receipts over Disbursements	1,111,730

ABSTRACT OF 45th ANNUAL STATEMENT

Insurance Issued and Revived	$ 21,133,927
Insurance in Force	145,117,527
Payments to Policyholders and Beneficiaries	3,481,998
Premium Income	4,526,182
Total Income	6,198,107
Total Assets	26,357,434
Policy and Annuity Reserves	21,977,690

HOW ASSETS ARE DISTRIBUTED

	Percentage of Total Assets
First Mortgages—City Properties	38.61
Farm Properties	8.45
Bonds and Debentures	20.01
Preferred and Common Stocks	3.50
Real Estate	3.56
Policy Loans	17.84
Cash and Other Assets	8.03
	100.00

COMPARATIVE FIGURES

	Insurance in Force	Insurance Issued and Revived
1893	$ 1,477,937	$ 532,250
1913	16,146,991	3,525,508
1933	145,117,527	21,133,927

Copy of Complete Report Mailed on Request

FORD S. KUMPF, Waterloo, *President*
EDWARD F. SEAGRAM, Waterloo, *Vice-President*
GEO. D. FORBES, Hespeler, *Vice-President*
GEO. A. DOBBIE, Galt, *Vice-President*

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HEAD OFFICE - - WATERLOO, ONTARIO

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Halifax Port Booming

A record-breaking volume of business for January is reported by the Halifax Harbor Commissioners. A preliminary figure of 141,167 tons, termed a "conservative" estimate of tonnage handled over the month, exceeds that of any month in the commission's history. The nearest approach to the figure came at the peak

If you are
—A Stockholder in a Close Corporation
—A Partner in a Business

You will be interested in a plan which will, upon the death of one of your associates, make certain that:

. . . the surviving partners or shareholders will have available an amount in cash for the purpose of purchasing the deceased's interest in the partnership or company, thus eliminating the possibility of having to take in an outsider or of having to wind up the business.

. . . both the surviving partners or shareholders and the deceased's estate are relieved of the possibility of sustaining any immediate financial loss owing to his death.

. . . his heirs will receive an amount in cash in lieu of his interest in the partnership or company.

WRITE OR CALL FOR FURTHER INFORMATION

Business men are accustomed to insure their buildings, plant and equipment against destruction, but many seem to overlook the financial loss that comes to a partnership when one of its members dies.

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BUSINESS DOWN FOR MAPLE LEAF FIRST FIVE MOS.

President Band Says Directors Actively Working on Recapitalization Plan

Rearrangement of the capital structure of the Maple Leaf Milling Company, which was intimated as probable at the last annual meeting, is regarded by the president, C. W. Band, as having become even more necessary because the first five months of the current fiscal year have proved less favorable than the corresponding period a year ago. This unfavorable situation is stated to have been largely due to the unprofitable prices at which it has been necessary to sell flour in the Canadian market and to the fact that baking subsidiaries also have been operated under extremely depressed conditions. The directors are now actively engaged in working out plans for recapitalization.

In commenting on the general situation affecting the company, the president has the following to say:

"Conditions in the milling industry continue to be unsatisfactory, largely due to the unprofitable prices at which it has been necessary to sell flour in the domestic market. Decline in export volume has resulted in a great deal of excess capacity. A few years ago Canadian mills exported an average of 10,000,000 barrels of flour annually and today only around 5,000,000 barrels are being shipped for export. As your company was equipped to do large export business, this decline in volume makes it more difficult for your company to operate profitably.

Economies Effected

"Very drastic economies have been effected by the management of the company during the last three years and the directors feel that further savings in any substantial amount are not possible if the company is to maintain its quality and service. Every effort has also been made to add new and profitable lines to the list of manufactured products. Tea-Bisk and Red River Cereal are now nationally known, and the recent addition to our poultry feeds of O.A.C. Cafeteria Feeds has been particularly helpful in maintaining full-time operations of your feed manufacturing plant."

MAY FORECLOSE ON KING EDWARD

Interest Now in Default Two Years on First Mortgage

Metropolitan Life Insurance Co. has given notification of intention to institute foreclosure proceedings against the King Edward Hotel Co. The Metropolitan Life holds a first mortgage of $2,150,000 secured principally by the land and building of the hotel company. Interest on this mortgage was passed on March 1, 1932, and has been in arrears since that date. It is understood that two months must elapse before foreclosure proceedings can be taken and the National Trust Co. is now negotiating on behalf of the holders of the second mortgage bonds and the debentures.

The King Edward Hotel Co. has been in receivership since December, 1932, with the National Trust Co. acting as receiver and manager. No financial statement has been issued since the company went into default on its funded debt. It is understood, however, that business has shown improvement in recent months with occupancy during January at 47 per cent as compared with 35 per cent in the corresponding month of 1933.

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THE MONTREAL
CITY and DISTRICT
SAVINGS BANK

Eighty-seventh Annual Report

TO THE SHAREHOLDERS.

Gentlemen:

MONTREAL, FEBRUARY 12TH, 1934.

Your Directors have pleasure in presenting the Eighty-Seventh Annual Report of the affairs of the Bank and the result of its operations for the year ending December 31st, 1933.

The net profits for the year were $367,855.04 and the balance brought forward from last year's Profits Account was $400,379.00, making a total of $768,234.04. In addition to the usual quarterly distributions to its shareholders, the Bank contributed from this amount $9,000.00 to various charitable and philanthropic Funds — independently of the amount of $10,200.00, interest on the Charity Donation Fund, distributed as usual — leaving a balance at the credit of Profits Account of $479,234.04 to be carried forward to next year.

For the accommodation of our clients a new branch has been opened on St. Lawrence Boulevard, near Mount Royal Avenue and another property has been secured at the corner of Monkland and Girouard Avenues where another branch will be opened as soon as alterations are completed.

As usual a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The Report of the Auditors and the Balance Sheet are herewith submitted.

R. DANDURAND,
President.

GENERAL STATEMENT
DECEMBER 31ST, 1933.

LIABILITIES

To the Public:		
Deposits bearing interest including interest accrued to date	$52,880,179.77	
Deposits not bearing interest	34,318.04	
Charity Donation Fund	180,000.00	
Other Liabilities	2,059,252.83	
		$55,153,750.64
To the Shareholders:		
Capital Stock (Amount subscribed $2,000,000), paid up	$2,000,000.00	
Reserve Fund	2,200,000.00	
Balance of Profits carried forward	479,234.04	
		4,679,234.04
		$59,832,984.68

RESOURCES

Cash on hand and in Chartered banks	$6,092,452.91	
Dominion and Provincial Government Bonds	22,893,217.72	
City of Montreal and other Canadian Municipal Bonds and Debentures	21,294,067.83	
Bonds of Canadian School Municipalities	57,716.56	
Bonds of Canadian Public Utilities Corporations	2,498,482.25	
Sundry Securities	200,000.00	
Call and Short Loans, secured by collateral	5,419,266.15	
Charity Donation Fund, invested in Dominion and Canadian Municipal Securities approved by the Dominion Government	180,000.00	
		$58,635,203.42
Bank premises (Head Office and Branches)	1,170,000.00	
Other Assets	27,781.26	
		1,197,781.26
		$59,832,984.68

On behalf of the Board,

R. DANDURAND,
President.

T. TAGGART SMYTH,
General Manager.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING FEBRUARY 12

Range 1934 High	Low	Divd. Rate in $	Yield in % Feb. 10		Sales	Close Feb. 5 (or last)	Week Ending Feb. 12 High	Low	Close
				A					
2.50	.90	...	...	Abitibi	7618	2.00	2.25	1.75	1.80
9½	4½	...	...	Do. pref. 6%	564	9½	8½	5½	7½
x80	80	...	...	Acme F. D'y p	...				
8	6	20c	...	Agnew Surp.	95	7	7	7	7
80	72	7	8.7	Do. pref.	20	80	80	80	80
7	3	...	...	Alta. Pac. Gr.	55	6	7	5	5
23	16	...	...	Do. pref.	10	23	21	21	21
2½	2½	...	...	Amal. Electric	...	2½			
10½	10	...	...	Do. pref.	...	10½			
x3½	3½	...	...	Anglo. N. Hold.	...				
§1.00	.15	...	...	Asbestos	...	1.00			
§2	½	...	...	Do. pref.	...	2			
13	9½	25c	...	Assoc. Brew.	135	13	13	12	12
90½	85	7	8.2	Do. pref.	7	90	90	85	90
4½	4½	...	...	Assoc. Can.	...	4½			
				B					
144	138	10	7	Bk. Can. Nat.	84	143½	143½	143	143
198	167	8	4.1	Bk. Montreal	317	195	198	194	195
278	267½	12	4.4	Bk. N. Scotia	13	277	275	274	274
198	161½	10	5	Bk. Toronto	44	195	198	195	198
16½	16¼	...	...	Barcelona	25	15	16⅜	16⅜	16½
5¼	3	...	...	Bathurst Pr.	570	5⅞	5⅞	4½	5
3	1½	...	...	Do. (B)	115	3	2	2	2
†26	26	...	...	Bawlf Grain					
9½	7	...	...	Do. pref.	...	9½			
4	3¼	...	...	Beath & Sons	125	3⅞	4	3½	3½
10	6¾	...	...	Beatty Bros. A	95	9⅞	9⅞	9⅞	9⅞
82	69	6	7.3	Do. pref.	10	80	82	82	82
7⅞	3⅛	...	...	Beauharnois	15349	6½	7⅞	6½	7⅛
68	65	4	5.9	Belding Cort.	...	68			
§90	85½	7	...	Do. pref.	...	88½			
118	110	6	5.2	Bell Telephone	454	116½	118	115	115½
8	7¾	50c	...	Biltmore Hats	...	7½			
85	85	7	8.2	Do. pref.	50	85	85	85	85
2	2	...	...	Bissell, T. E.	...	2			
29	28	...	...	Do. pref.	25	29	29	28	28
5	4½	...	...	Blue Ribbon	55	5	5	4½	4½
30	23	2	7	Do. pref.	70	29	28½	27	27
25	22	2	8	Brant. Cd. pf.	...	25			
14⅝	10½	...	...	Brazilian Tr.	24024	14½	14⅜	13⅞	13½
2.95	2.50	10c	...	Brew. & Distil.	10750	2.55	2.60	2.50	2.55
10½	5⅞	...	...	Brewing Corp.	14714	9½	10	8	8⅞
24½	15¼	...	...	Do. pref.	4904	22½	23	20½	20⅞
10	10	10c	...	Bright, T. G. c	...	10			
14⅝	12½	80c	5.6	Brit. Amer. Oil	6777	14⅞	14⅞	14	14⅞
3⅞	2½	...	...	B. C. Packers	2790	3½	3½	3½	3½
13	10	...	...	Do. pref.	154	11	13	12	12
27½	22½	1.50	5.7	B. C. Power A	1781	27	27½	26	27½
6⅞	4½	...	...	Do. (B)	1900	5⅞	6	5½	5½
19	16	...	...	Bruck S. Mills	783	17½	19	17	18½
23	16½	1	4.4	Building Prod.	861	23	23	22	23
32½	27	2	6.3	Burt, F. N.	480	31½	32½	31½	32
				C					
x125	125	6	...	Calgary Pr.					
5¼	3	...	...	Canada Bread	750	4	4½	4	4
50	41	...	...	Do. pref. A.	10	50	41	41	41
14½	8	...	...	Do. pref. B.	36	13	12	10	10
11	7¾	...	...	Canada Bud	815	9½	9½	9	9½
12	6⅞	...	...	Canada Cement	24073	11⅞	12	9¾	10¾
53	32	...	...	Do. pref.	855	53	52	46	49
29½	24½	1	3.8	Canada Dry	7700	28	28½	25½	26
4½	4	...	...	Can. Forg. A.	...	4½			
4	4	...	...	Do. (B)	5	...	4	4	4
x15	15	...	...	Canada Iron					
†80	75	3	...	Do. pref.					
§*425	405	20	...	Canada Life	...	405			
35	28	1.50	4.6	Can. Malting	1890	33½	34½	32	33
19¼	16½	80+10c	5	Can. Nor. Pr.	418	18⅜	18⅜	17⅜	18
90	88½	7	7.9	Do. pref.	134	90	90	88½	88½
.10	.10	...	...	Can. Paving	...	.10			
§10	4	...	...	Do. pref.	...	5½			
140	118	8	5.9	Can. Perman.	17	120½	140	125	140
3.00	.70	...	...	Can. Steamsh's	415	2.50	2.75	2.50	2.75
7	2½	...	...	Do. pref.	446	6	7	6	7
27½	21½	1.60	6.2	Can. Vinegars	1260	26	27½	25⅞	27
25	24	...	...	Can. W. Cable	100	25	25	24	24
12	5½	...	...	Do. (B)	5	12	10	10	10
§2½	2	...	...	Can. Bakeries	...	2½			
12	10½	...	...	Do. pref.	...	10½			
166	127	8	4.9	Can. Bk. Com.	324	165	166	163	163
23	17	60c	2.8	Can. Bronze	765	21½	23	20½	22½
97	95	7	7.2	Do. pref.	...	97			
8½	6	...	...	Can. Canners	81	8¼	8½	7½	7½
83	75	6	7.3	Do. 1st pfd.	65	82½	83	82	83
10½	8⅞	20+10c	3	Do. 2nd pfd.	475	10¼	10½	10	10½
9⅞	6½	...	...	Can. Car & F'y	4047	8⅞	9¾	7¾	8¼
15¼	11½	...	...	Do. pref.	1685	14⅝	15¼	14	15
19½	16	...	...	Can. Celanese	1050	18	19	18	19
107	104	7	6.7	Do. pref.	105	106	105	104	104
39	30	2	5.3	Can. Convert.	25	39	37½	37½	37½
60	41	4	6.7	Can. Cottons	95	56	60	57	60
89	70	6	6.7	Do. pref.	10	85	89	89	89
34½	20	1	3.4	Can. Dredge	4858	33⅞	34½	29	31
106½	106½	7	6.6	Do. pref.	1	...	106½	106½	106½
§80	79	6	...	Can. Fairb. pf	...	80			
15	9	50c	3.4	Can. For. Inv.	...	14½			
82	80	8	9.7	Do. pref.	...	82			
130	124½	§3	2.3	Can. Gen. Elec.	5	126	130	130	130
61½	59½	3.50	5.8	Do. pref.	95	60½	60½	60	60
§6½	4	...	...	Can. G. Inv. T.	...	6½			
71	54½	6	8.6	Can. Hyd. E. P	459	67	71	68	70
20½	15	...	...	Can. Ind. Alc.	20057	16½	16½	15	16
19¾	14	...	...	Do. (B)	2752	16⅜	16	14½	15⅞
150	149⅜	3.50•	2.3	Can. Indust. B	25	149⅜	149⅜	149⅜	149⅜
§125	125	7	...	Do. pref.	...	125			
†5.00	3.95	...	...	Can. Int. I. Tr.					
†70	64½	...	...	Do. pref.					
40	20	1	2.5	Can. Lt. & Pr.	...	40			
3½	2	...	...	Can. Marconi	29420	2½	3½	2⅞	2⅞
14½	12	50c	3.6	Canadian Oil	345	14½	14½	13⅞	14
95	92	8	8.5	Do. pref.	11	92	94	93	94
17½	12¼	...	...	Can. Pacific	12572	17	17½	16¼	16½
3	2	...	...	Can. Vickers	150	2	3	3	3
5	5	...	...	Do. pref.	10	...	5	5	5
§49	46	2	4.1	C. West'ghouse	...	49			
11½	8⅞	20c	2.1	Can. Wineries	870	9⅞	9⅞	9⅝	9½
16½	14	37½c	...	Can. Wire Box	25	15	14	14	14
8¼	8½	...	...	Catelli Mac A.	...	8¼			
2	2	...	...	Do. (B)	...	2			
§245	245	8	3.3	Cent. Can. L'n	...	245			
3.50	1.61	...	...	Chem Research	39086	3.26	3.45	2.60	3.05
12	9	...	...	City Gas & El.	1043	11⅛	12	11	12
.80	.40	...	...	Claude Neon	1430	.70	.70	.65	.65
10⅜	7½	...	...	Cockshutt Plow	2052	10½	10½	9½	9⅞
1.50	.95	...	...	Comm. Alcohol	1500	1.30	1.30	1.25	1.25
§5	1	...	...	Conduits	...	5			
†94	84	...	...	Do. pref.					
10	7¾	...	...	Cons. Bakeries	926	10	9⅞	9	9
1.50	.40	...	...	Cons. Indust.	690	.50	.60	.55	.55
3½	1¼	...	...	Cons. Paper	4978	3⅜	3½	3	3
8¼	6	...	...	Cons. Press	5	7	8	8	8
x35	30	...	...	Cons. Sand. p.					
137½	132	1.50	...	Cons. Smelters	2269	135½	135½	132	133
171	165	10	5.9	Consumers' Gas	145	170	171	168	170
7½	5½	...	...	Cosgrave Brew.	330	7	7	6¼	6½
11¼	7½	...	...	Cosmos Imp.	536	11	11⅝	11	11½
85	80	3.50■	4.1	Do. pref.	...	85			
3	2	...	...	Crown Dom Oil	145	2½	2⅜	2½	2⅜
§20	8	2	...	Crow's N. Coal	...	16			
				D					
§2	1	...	...	David & Fre. B	...	1			
2	2	...	...	Do. (A)	...	2			
2½	1	...	...	De Havilland	850	2	2½	2	2
§19	18	...	...	Do. pref.	...	18			
†9	5	...	...	Disher Steel	...				
§17	17	...	...	Do. pref.	...	17			
26⅞	19¾	...	...	Distill-Seagram	15555	22¾	22⅞	19¾	21
§7	5	...	...	Dodge (A) pf.	...	7			
§2	2	...	...	Do. (B)	...	2			
177	133	10	5.6	Dom. Bank	174	170	177	170	175
34	25½	2	6.1	Dom. Bridge	7152	33½	34	31	34
32½	10	...	...	Dom. Coal	1300	30	32¾	28	32
25	20	...	...	Dom. Engineer	220	24½	25	24½	24¼
89	81	5	5.7	Dom. Glass	65	89	89	87½	89
120	113	7	6.1	Do. pref.	...	115			
.90	.60	...	...	Dom. Motors	...	.75			
§2⅞	...	...	...	Dom. Pr. Stubs	...	2⅞			
59⅞	59⅞	7	11.7	Dom. Rubber p	2	...	59⅞	59⅞	59⅞
4	2¼	...	...	Dom. St. & C B	5315	3⅞	4	3½	3⅞
22¾	19¾	1.20	6.1	Dom. Stores	1300	20¼	20½	19½	20
5⅞	2½	...	...	Dom. Tar & Ch	2270	5	5¼	4½	4⅞
28	15	...	...	Do. pref.	685	27	27½	25½	27⅞
73½	67	4	5.6	Dom. Textile	1057	72⅞	72⅞	68½	72
120	112	7	6.1	Do. pref.	26	113	120	115	120
7½	4	...	...	Dryden Paper	1305	6⅞	6⅞	5½	6½
3	2½	...	...	Duff. Paving	1	2½	3	3	3
22	18	...	...	Do. pref.	15	22	22	22	22
				E					
3	3	...	...	East. Koot. Pr.	...	3			
†97	94½	...	...	Do. pref.					
5	3	...	...	East. Dairies	70	5	5	5	5
10	8½	...	...	East. Steel	45	9½	9½	9	9
76	76	7	9.2	Do. pref.	...	76			
‡34	34	2	...	East. Theatres					
§70	65	7	...	Do. pref.	...	65			
2½	1	...	...	Easy Washer	575	2	1⅞	1½	1½
14	10½	37½c	...	Economic Inv.	15	14	14	14	14
†15	15	...	...	Edmonton D'y.					
†80	78⅞	6.50	...	Do. pref.					
2½	2½	...	...	Enam. & Heat.	...	2½			
16	12	...	...	Eng. Electric	95	15	16	14	14
4	4	...	...	Do. (B)	...	4			
				F					
12	10	...	...	Fam. Players	5	12	11	11	11
10	10	...	...	Do. Vot. Tr.	...	10			
16½	11½	1	6.1	Fanny Farmer	...	16½			
33	28	2.40	7.3	Do. pref.	...	33			
†83½	75	...	...	Firstbrook Box					
25½	15	1	4.1	Ford Motors A	40815	24½	24⅞	20⅞	23⅞
1.60	1.50	...	...	For. Pr. Secs.					
14½	10	...	...	Foundation Co.	200	14	14½	13½	13½
3½	3	...	...	Fraser Cos.	...	3½			
2⅝	2⅜	...	...	Do. Vot. Tr.	...	2⅝			
§90	90	...	...	Fr & For Inv. p	...	90			
§3	3	...	...	Frost Steel	...	3			
40	30	...	...	Do. pref.	25	37	40	40	40
				G					
5½	3⅜	...	...	Gen. St. Wares	4636	5	5½	4⅞	5⅝
25	14½	...	...	Do. pref.	283	23½	25	22	25
119	90	4	3.5	Goodyear Tire.	179	117	119	115	119
110	106	7	6.4	Do. pref.	95	109½	110	109½	110
†93½	93½	...	...	Gould Pumps, p					
3	1½	...	...	Gt. W Saddlery	300	1⅞	3	2	3
11	11	...	...	Do. pref.	...	11			
11½	6½	...	...	Gurd, Chas.	160	10¾	11	10½	10½
§100	100	7	...	Do. pref.	...	100¾			
8½	4½	...	...	Gypsum, Lime.	12684	7	8¼	6⅞	8¼
				H					
9½	5½	...	...	Ham. Bridge	820	9	9½	8½	8¼
35	30	...	...	Do. pref.	...	34			
17¼	14	...	...	Ham. Cot. pf.	320	16	17½	17	17½
2¾	1½	...	...	Ham. U. Theat.	25	2⅜	2⅝	2⅜	2⅜
46	46	7	15.2	Do. pref.	...	46			
‡50	50	...	...	Hillcrest Coll.					
†91	91	...	...	Do. pref.					
8½	5⅞	...	...	Hinde & Dauch	665	7⅞	8¼	7½	8¼
1	1	...	...	Holt Renfrew	...	1			
35	35	...	...	Do. pref.	...	35			
1.50	.70	...	...	Honey Dew	2750	1.50	1.50	.70	1.20
11	7½	...	...	Do. pref.	58	10	11	10	10
10	4	...	...	H. Smith Pap.	1198	9⅞	9⅞	8⅞	9
60	35	...	...	Do. pref.	90	57	59	58	58
26	24	2	8.3	Humberstone S	45	26	24½	24	24
13	9	50c	3.8	Hunt (A)	150	12	13	12½	12½
12½	10	50c	4	Do. (B)	40	10	12⅝	12⅝	12⅝

Range 1934 High	Low	Divd. Rate in $	Yield in % Feb. 10		Sales	Close Feb. 5 (or last)	Week Ending Feb. 12 High	Low	Close
90	70	6	6.7	Huron & E. M.	3	80	90	90	90
§18	10½	...	...	Do. 20% pd.	...	10½			
8	5½	...	...	Hydro Electric	60	5½	8	8	8
				I					
180	141	10	5.6	Imperial Bank	105	172	180	174	180
14½	12½	50c	3.6	Imperial Oil	10581	14	14½	13½	13½
12½	10½	52½c	4.3	Imperial Tob.	1847	12	12½	11½	12
15	15	...	...	Inter. City Bak.	...	15			
§5½	5¼	1	...	Inter'e Coal	...	5½			
b9⅝	4⅝	...	...	Int. Hyd. E. A	19400	8⅞	9½	7⅞	7½
105	90	7	6.7	Inter. Mill. pf	20	100	105	105	105
84	84	6	7.2	Do. Series A	...	84			
23.90	21.15	10c	...	Inter. Nickel	44358	23.60	23.90	22.00	22.45
3	3	...	...	Inter. Paints	60	3	3	3	3
b6	4	...	...	Int. P & P A	3400	5⅝	6	4½	4½
b3⅝	1¾	...	...	Do. (B)	2000	3⅛	3⅝	2¾	2¾
b2⅜	1⅜	...	...	Do. (C)	6200	2⅜	2⅜	2⅜	2⅜
b18⅜	10⅜	...	...	Do. pref.	7600	18⅝	18⅝	13⅞	14⅝
23½	19½	1	4.5	Inter. Pete.	5037	23¼	23¼	21⅛	22½
3	2	...	...	Inter. Power	80	3	3	3	3
19	14	...	...	Do. pref.	47	19	19	18½	18½
6½	3	...	...	Int. Util. (A)	380	6	6½	6	6
1.50	.80	...	...	Do. (B)	20775	1.20	1.50	1.20	1.25
				J					
†40	40	1	...	Jam. Pub. Ser.	...				
98	97	7	7.2	Do. pref.	5	98	98	98	98
				K					
5¼	4½	...	...	Kelvinator	20	5¼	5½	5½	5½
80	80	7	8.7	Do. pref.	...	80			
				L					
15	12½	...	...	Lake of Woods	335	14½	14½	14½	14½
72	56	...	...	Do. pref.	...	70			
80	80	6	7.5	Landed Bank.	...	80			
25	25	...	...	Langley's pf.	...	25			
51	47½	3	6	Laura Secord	2	50	50	50	50
§7	1½	...	...	Lindsay, C. W.	...	2½			
36	35	...	...	Do. pref.	...	36			
15½	14½	80c	5.2	Loblaw (A)	1802	15⅛	15⅛	15	15½
15¼	13½	80c	5.6	Do. (B)	580	15¼	15¼	14⅞	14⅞
				M					
§10	2	...	...	MacKin. Steel	...	10			
†95	90	3.50	...	Do. pref.					
§3½	3½	...	...	Manitoba Pr.	...	3½			
5½	1¾	...	...	Maple Leaf	2435	3¾	4	1½	2½
10½	8	...	...	Do. pref.	50	10½	10½	10½	10½
3	2½	...	...	Do. B pf.	45	...	3	2½	2½
§6	6	...	...	Marcus Loew's	...	6			
60½	60	...	...	Do. pref.	25	60	60½	60½	60½
8¼	4½	...	...	Massey-Harris	15612	8½	8½	6⅞	7½
12¾	10½	60c	4.9	McColl Fron.	4552	12½	12⅝	11⅜	12½
77	71½	6	8	Do. pref.	201	76	76	75	75
15	13	...	...	Melchers A	1697	14	14½	13½	13½
11	8¾	...	...	Do. (B)	605	10½	10½	9	9
†45	35	...	...	Mexican L & P					
‡35	35	...	...	Mercury Mills					
‡89	58½	...	...	Do. pref.					
†40½	40	...	...	Mitchell, J. S.					
100	100	7	7	Do. pref.	...	100			
9	5½	...	...	Mitchell, Robt.	400	8½	9	8½	8½
§3	3	...	...	Monarch Knit.	...	3			
60	45	3	5.2	Do. pref.	...	58			
30	25	...	...	Montreal Cot.	50	25	30	30	30
84	67	7	9.7	Do. pref.	20	84	72	72	72
½	...	...	...	Montreal Exhib	50	...	¼	¼	¼
4	3½	...	...	Mont. Is. Pr.	...	4			
39½	33	1.50	3.8	Mont. L. & Pr.	8385	38¾	39½	38	39½
47	47	3+.25	6.9	Montreal Loan	17	45	47	47	47
54	50	3.20	6.3	Montreal Tele.	...	51			
120	109⅞	9	7.5	Montreal Tram	33	119	120	119	119
17½	11	...	...	Moore Corp.	1177	17½	17½	15½	16½
107	96	7	6.5	Do. pref. A.	51	105	107	105	105
125	109½	7	5.6	Do. pref. B.	50	125	125	125	125
3	2	...	...	Muirheads	25	2½	2½	2½	2½
§7	5	...	...	Do. pref.	...	7			
				N					
27½	23½	1.60	5.9	Nat. Breweries	5015	26½	27½	26	27½
32	31½	1.75	5.5	Do. pref.	475	32	32	32	32
100	90½	2.61¼	...	Nat. Groc. pfd.	13	93	100	95	100
19	14½	2.40	12.6	N. Sew. Pipe A	15	19	19	19	19
17	12½	...	...	Nat. Steel Car.	1027	15½	17	15½	16⅞
175	170	8	4.6	National Tr.	...	175			
x10	10	...	...	Niag. W Weav	...				
§24	16	3	...	Do. pref.	...	24			
1.50	.75	...	...	North Star Oil	140	.85	1.00	1.00	1.00
2.00	1.40	...	...	Do. pref.	250	1.75	1.55	1.55	1.55
				O					
195	190	8	4.2	Ogilvie Flour	75	190	190	190	190
130	125	7	5.6	Do. pref.	130	130	125	125	125
9	8	...	...	Ont. Eq. 10% p	75	9	9	8	8
§105	98	6	5.9	Ontario Loan.	...	100¼			
5	5	...	...	Ont. Silknit	...	5			
40	31	...	...	Do. pref.	...	37½			
§9	4½	...	...	Ont. Steel	...	9			
†105	105	...	...	Do. pref.					
.90	.25	...	...	Orange Crush	225	.75	.65	.60	.60
5	5	...	...	Do. (A)	...	5			
1.10	.30	...	...	Do. (B)	115	1.10	.80	.60	.60
86	79	6	7	Ott. L. H. & P.	35	85	86	85	85
95	90	6.50	6.8	Do. pref.	...	95			
5	5	...	...	Ott. Traction	...	5			
				P					
70	55	3	4.4	Page Hersey	205	69½	70	66	67
24½	24½	...	...	Paton Mfg.	100	...	24½	24½	24½
§92½	90	7	...	Do. pref.	...	92½			
61	47	3	5	Penmans	55	61	60	60	60
91	90	6	6.6	Do. pref.	5	90	91	91	91
19	14	...	...	Photo Eng.	220	17½	19	18	18½
60	60	7	11.7	Porto Rico P p	...	60			
12½	7½	...	...	Power Corp.	1750	11⅛	12½	11	12½
70	51	6	9.2	Do. pref.	33	70	68	65	68
2	1½	...	...	Prairie C. Oil	20	1½	2	2	2
20	18⅞	...	...	Pressed Metals	130	19½	19½	18½	18½
3.00	.95	...	...	Price Bros.	7170	3.00	3.00	2.50	2.75
25½	7	...	...	Do. pref.	420	21½	22½	20	20
				Q					
20	15	1	5.3	Quebec Power	2232	18	20	17¾	20
				R					
§95	85	5	5.9	Real Estate L'n	...	85			
6½	2	...	...	Regent Knit.	6080	4⅞	6⅛	5	5⅛
4	4	...	...	Reliance Grain	...	4			
22½	19	1	4.4	River. S. Mills	45	22½	22½	22½	22½
§14	5	1	...	Robinson Cone.	...	9			
7½	5½	...	...	Rogers Majest.	2985	7	7⅛	6⅛	7
166	129½	8	4.9	Royal Bank	262	165½	166	160	165
17	17	...	...	Russell Motor	10	17	17	17	17
45	45	4	8.9	Do. pref.	...	45			
				S					
3	2½	...	...	Sarnia Br. A	...	2½			
§2	1½	...	...	Do. (B)	...	2			
10½	6	...	...	Serv. Station	421	10¼	10	9	9
55	32½	...	...	Do. pref.	75	47	55	50	50
24½	17½	50c	2.1	Shawinigan	20581	22½	24½	21½	24½
17⅞	12⅞	...	...	Sher. Wms.	335	17	17	16¼	16¼
72	56	...	...	Do. pref.	20	62	72	70	72
8½	6⅞	...	...	Simon & Son.	135	8	8½	8½	8½
65	65	▲5¼	...	Do. pref.	...	65			
62	43	...	...	Simpson, Ltd.	300	60⅞	61½	59	59
10	10	...	...	Do. (A)	4	...	10	10	10
7	4	...	...	Do. (B)	20	7	7	7	7
90	80	6	6.8	Simpson, R. p.	22	87	90	88	90
14	11	1	7.4	So. Can. Pr.	912	13½	13½	13	13½
80	72	6	7.5	Do. pref.	185	76	80	78½	80
3½	1½	...	...	St. Law. Corp.	2950	3	3	2½	3
9½	5½	...	...	Do. (A)	228	8⅞	8½	8	8
§56	15	1.50	2.7	St. Law. Flour	...	56			
101	101	7	6.9	Do. pref.	...	101			
23	12	...	...	St. Law. Pa. p	540	21	20	19	19
9	6½	...	...	Stand. Chem.	20	7	7	7	7
4½	1½	...	...	St. Pav. & Mat.	2070	4½	4½	4	4
25	17½	...	...	Do. pref.	55	20	25	25	25
11¼	9	...	...	Stand. Steel	2985	9⅞	10¼	9	9½
§30	30	...	...	Do. pref.	...	30			
34½	28	1.20	3.5	Steel of Can.	3625	33⅞	34½	32	34½
35	31	1.75	5.2	Do. pref.	810	34¾	34	33	34
3	2	...	...	Sterling Coal	15	3	2	2	2
6	4½	...	...	Stop & Shop	6	6	5¾	5¾	5¾
§*495	385	...	...	Sun Life Ass.	...	495			
22½	16	1	4.6	Sup. Pete. ord.	555	22	22½	21	21
17¼	16½	1	5.8	Do. com.	...	17¼			
100	99	7	7.1	Do. pref.	...	99			
				T					
§40	40	...	...	Tamblyn	...	40			
100	100	7	7	Do. pref.	...	100			
25	18	3.50	...	Thayers, pfd.	...	24			
11¼	10	40c	4	Thrift Stores	60	10½	10½	10½	10½
25	23	1.62½	6.7	Do. pref.	185	24	24	23	24
11	7	...	...	Tip Top Tailors	170	9	11	9	11
73	63½	7	9.6	Do. pref.	15	68	73	73	73
†22	10	...	...	Tooke Bros.					
§16½	12½	...	...	Do. pref.	...	15			
27	17	1	3.7	Tor. Elevators	415	26½	27	26	27
95	89½	7	7.5	Do. pref.	43	93	95	90	95
112	105	6	5.4	Tor. Gen. Tr.	9	105	112	112	112
100	100	6	6	Toronto Mtge.	2	100	100	100	100
.95	.50	...	...	Traymore	650	.50	.70	.60	.60
2½	2	...	...	Do. pref.	210	2½	2½	2	2
125	125	7	5.6	Tuckett Tob. p	...	125			
3½	1½	...	...	Twin City	50	3	3½	3½	3½
b12	6	...	...	Do. pref.					
				U					
4⅞	3⅞	...	...	Union Gas	1865	4⅝	4½	4½	4⅝
§40	25	...	...	Union Trust	...	25			
†8	8	...	...	United Fuel	...				
17	9¼	...	...	Do. pref.	405	16¼	16¼	14	16¼
12½	12½	...	...	Un. Amuse. A.	20	8	12½	12½	12½
§7½	7½	...	...	Do. (B)	...	7½			
32	17	2	6.2	United Secs.	25	25	32	32	32
				V					
5	3	...	...	Viau Biscuit	855	3½	3½	3	3
18	18	...	...	Do. pref.	...	18			
				W					
24	20	...	...	Wabasso Cot.	355	23	23	22	23
57⅞	45½	...	...	Walker-Good.	35521	51	50½	45½	45½
17⅞	16½	1	5.9	Do. pref.	4708	17	17½	16⅞	17
6.75	3.90	...	...	Walkerville Br.	9605	6.50	6.40	6.00	6.00
4	2	...	...	Waterloo Mfg.	780	3½	4	3½	3½
x80	75	7	...	W. Koot. Pr. p	...				
8½	7¾	...	...	West. C. Flour	170	8	8	7⅞	7⅞
54⅞	48	3	5.7	Do. pref.	5	52	52½	52½	52½
30¼	30¼	...	...	West. Grocers	...	30¼			
86	85	7	8.2	Do. pref.	...	85			
†91	85	...	...	W. Steel Pr. p	...				
56⅜	45	1	1.8	Weston Bisc.	356	56	56½	54	56
91	88½	7	7.7	Do. pref.	5	90	91	91	91
5	3½	...	...	Whittall Can	450	3¼	5	4½	4⅞
59⅞	35	1.62½	...	Do. pref.	437	43	59⅞	50	55
§5	2	...	...	Windsor Hotel	...	2			
5½	5½	...	...	Do. pref.	...	5½			
4	1½	...	...	Winnipeg Elec.	825	3½	4	3½	3½
11½	4	...	...	Do. pref.	20	11	11½	10⅞	11½
35	20	...	...	Woods Mfg. p.	45	23	35	35	35
				Z					
§1½	1¼	...	...	Zimmerknit, c.	...	1¼			

§ Quotations for 1933. No sales recorded in 1934 to date.
x Quotations for 1932.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
* See "Unlisted Stocks" also.
▲ On account of arrears.
• Plus extra of 87½c. paid Jan. 31.
■ Plus $3.50 on arrears payable Feb. 15.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
February 13, 1934

Industrial Bonds—

		February 13 Bid	Asked	Feb. 6 Bid
Abitibi P. & P. 5% 1953	F	32.50	34.00	34.50
Abitibi P. & P. C.O.D.	F	29.00	30.00	32.50
Acadia Sugar 6% 1946		96.50	98.00	96.50
Alta. Pacific Grain 6% 1946		78.00	....	72.00
American Sales Book 6% 1939		97.00	....	97.90
Asbestos Corp. 6% 1941	F	73.00	75.00	65.00
B. A. Oil 5% 1945		99.50	101.00	99.50
B. C. Pulp 6% 1950	F	52.00	....	54.00
B. C. Pulp 7% 1950	F	18.00	....	15.00
Burns 5½% 1948	F	38.00	....	35.00
Can. Biscuit 6½% 1946	F	20.00	....	22.00
Can. Bread 6% 1941		86.00	90.00	85.00
Can. Cement 5½ 1947		88.00	92.00	91.00
Can. Steamship 6% 1941	F	23.00	24.50	24.00
Can. Canners 6% 1950		98.50	101.00	98.50
Can. Copper Refin. 6% 1945		105.50	....	105.50
Can. Cottons 5% 1940		96.00	....	96.00
Can. Goodrich Income 7/43	F	30.00	....	30.00
Can. Rail & Harbor 6½/51	F	26.00	....	25.00
Can. Vickers 6% 1947		60.00	....	58.00
Cons. Invest. 4½% 1959		60.00	63.00	60.00
Davies, Wm. 6% 1942		98.50	101.00	98.50
Debenture & Sec. 4% 1936		70.00	....	70.00
Dom. Tar & Chemical 6% 1949		80.00	....	78.00
Dom. Telegraph 5½% 1978 A		80.00	85.00	80.00
Dom. Textile 6% 1949		106.00	....	106.00
Dom. Woollens 6% 1948	F	32.00	....	34.00
Donnacona Paper 5½% 1948	F	40.00	....	43.00
Eastern Dairies 6% 1949		60.00	....	55.00
Famous Players 6% 1948		87.50	....	87.00
Federal Grain 6% 1949		72.00	74.00	71.00
Firestone Tire 7% 1937		96.00	100.00	96.00
Fraser Co. 6% 1950		38.00	....	42.00
Galt Brass 7½% 1941	F	25.00	....	25.00
Gen. Steel Wares 6% 1952	F	70.00	74.00	75.00
Goodyear Cotton 6% 1949		103.00	104.00	103.00
Great Lakes 6% 1950		40.00	42.50	43.00
Gypsum, Lime & Alab. 5¼% 1948	F	71.00	73.50	70.00
Hamilton By-Prod. 7% 1943		94.00	97.00	93.00
Harris Abattoir 6% 1947		102.50	103.00	102.50
Howard Smith 5½% 1953		89.00	92.00	90.00
Lake St. John 6¼% 1947	F	47.00	51.00	50.00
Lake St. John 6½% 1942	F	16.00	....	17.00
Loew's Toronto 6% Serial		97.00	....	97.00
Maple Leaf Milling 5½% 1949		44.00	47.00	45.00
Massey-Harris 5% 1947		77.00	79.00	78.00
Matthews Steamship 6% 1942	F	26.00	....	26.00
McColl-Frontenac 6% 1949		96.00	98.00	96.00
McKinnon Industries 6½% 1945		97.00	....	97.00
Mercury Mills 5½% 1953		58.00	....	59.00
Minn. & Ont. 6% Serial	F	18.00	20.00	17.00
Price Bros. 6% 1943	F	84.00	87.00	85.00
Provincial Paper 5½% 1947		90.00	93.00	91.00
Restigouche 6% 1948	F	61.00	63.00	....
Simpsons Ltd. 6% 1949		91.50	93.00	90.00
Steel of Canada 6% 1940		106.00	....	106.00
Stop & Shop 6% 1947		80.00	....	79.00
Toronto Carpet 6% 1944		90.00	....	90.00
United Corpns 5% 1953	F	70.00	....	70.00
United Gas & Fuel 5½% 1948		66.00	70.00	65.00
United Grain Growers 5% 1948		77.00	....	76.00
United Grain Growers 5½% 1949		80.00	....	79.00
Wabasso Cotton 7% 1942		70.00	....	70.00
Public Utility Bonds—				
Bell Telephone 5% 1955		102.50	104.00	104.50
B. C. Power 5½% 1960		96.00	97.00	96.00
B. C. Telephone 5% 1960		98.00	100.00	99.25
Calgary Power 5% 1960		89.00	90.00	90.00
Can. Northern Pwr. 5% 1953		86.00	88.00	87.00
Duke-Price 6% 1966		88.00	89.00	90.00
French Natl. Mail SS 6/52		130.00	....	125.00
Gatineau Pwr. 6% 1941 A		80.00	81.50	82.50
Gatineau Pwr. 5% 1956		85.25	86.00	86.50
Maclaren Quebec 5½% 1961		90.00	91.00	90.00
Manitoba Power 5½% 1951		48.00	51.00	51.00
Montreal LH&P 5% 1970		105.00	108.00	105.00
Montreal Tram. 5% 1941 July		97.00	99.00	97.00
Northwest. Utilities 7/38		98.00	101.00	98.00
Ottawa Valley Pwr. 5½% 1970		102.00	103.00	101.00
Quebec Power 5% 1968		91.50	93.00	92.00
Rio Tramways 5% 1935		102.00	104.00	102.00
Shawinigan W. & P. 5% 1970		93.00	94.50	94.00
Shawinigan W. & P. 6% 1937		98.00	100.00	98.00
Southern Can. Pwr. 5% 1955		99.00	100.00	99.00
West Kootenay Pwr. 5% 1956		100.50	102.00	100.50
Realty Bonds—				
Albert Bay 6½% 1942		55.00	57.00	53.00
Balfour Bldg. 6% 1943		44.00	....	38.00
Bloor St. George 7% 1946	F	35.00	....	33.00
Clarendon Apts. 7% 1946	F	28.00	31.00	28.00
Clarendon Properties 7/44	F	26.00	29.00	26.00
Dominion Square 6% 1948	F	50.00	....	46.00
Eaton Realty 5% 1949		92.50	94.00	92.50
Godfrey Realty 6% 1942		35.00	37.00	35.00
General Brock Hotel 6/48	F	26.00	....	24.00
London Realty 6½% 1950	F	51.00	....	48.00
Lord Nelson Hotel 4% 1947	F	47.00	....	47.00
Mayor Bldg. 6½% 1942		35.00	....	35.00
Metropolitan Bldg. 7% 1944		90.00	....	90.00
National Realty 7% 1945		25.00	29.00	25.00
Northern Ont. Bldg. 6½% 1939		80.00	....	80.00
Ontario Bldg. 6½% 1943		35.00	....	30.00
Richmond Bay 6½% 1947	F	73.00	....	72.00
York Bldg. 6% 1943		70.00	....	70.00
Government, Provincial & Railway—				
C. N. R. 4½% 1957 Dom. Gtd.		99.50	101.00	99.50
C. N. R. 5% 1969 Dom. Gtd.		107.00	108.00	106.50
C. P. R. 4½% 1944		88.50	89.50	88.50
C. P. R. 6% 1942		107.00	108.00	107.00
Dom. of Can. 5% 1936		102.50	103.50	102.50
Dom. of Can. 5% 1941		104.00	105.00	103.50
G. T. P. 3% 1962 Dom. Gtd.		85.50	86.50	85.50
G. T. P. 4% 1962 Dom. Gtd.		96.50	97.50	97.00
Ont. Hydro 3½% 1952 Ont. Gtd.		92.25	93.25	92.25
Ont. Hydro 4% 1957 Ont. Gtd.		93.50	94.25	93.50
Prov. of N. B. 5½% 1950		104.50	105.00	104.50
Prov. of Ont. 5½% 1946		107.00	108.00	107.00
Prov. of Ont. 4½% 1944		102.00	103.00	102.00
Prov. of Ont. 5% 1948		103.00	103.50	103.00

F—Traded without accrued interest.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

February 13, 1934

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	88.00	5.37
Alberta	5	1 July, 1943	1 July	95.00	5.69
Alberta	6	1 Mar., 1947	1 Mar.	101.00	5.88
*British Columbia	4½	1 Oct., 1953	1 Apr.	87.00	5.59
*British Columbia	5	15 Jan., 1948	15 July	93.00	5.73
British Columbia	6	15 Feb., 1947	15 Feb.	100.00	6.00
Manitoba	4	1 July, 1947	1 July	84.00	5.72
*Manitoba	5	2 Dec., 1959	2 June	93.00	5.51
Manitoba	6	1 Apr., 1948	1 Apr.	100.00	6.00
*New Brunswick	4	1 June, 1948	1 June	94.00	4.57
*New Brunswick	4¾	15 June, 1936	15 June	101.00	4.30
New Brunswick	5½	15 May, 1950	15 May	106.00	4.96
*Nova Scotia	4½	15 Nov., 1948	15 May	98.50	4.64
Nova Scotia	5	1 May, 1943	1 May	101.50	4.80
*Ontario	4½	1 Sept., 1944	1 Mar.	103.00	4.15
Ontario	5	15 Oct., 1948	15 Apr.	104.50	4.58
Ontario	5½	1 Feb., 1947	1 Aug.	108.00	4.67
P. E. I.	4	1 Apr., 1939	1 Apr.	98.15	4.40
P. E. I.	6	1 May, 1947	1 May	108.70	5.10
*Quebec	4¼	1 May, 1961	1 May	98.00	4.37
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	84.00	5.80
*Saskatchewan	5	1 Nov., 1959	1 May	90.00	5.75
Saskatchewan	6	15 Mar., 1952	15 Mar.	99.00	6.09
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	101.00	4.94
*Toronto	4½	1 Jan., 1955	1 July	100.00	4.50
*Vancouver	5	15 Jan., 1970	15 July	90.00	5.65
Winnipeg	5	1 Mar., 1944	1 Mar.	92.50	6.00
*Edmonton	5½	1 Apr., 1947	1 Apr.	89.00	6.75
Calgary	5	1 Jan., 1943	1 July	88.35	6.75
Halifax	6	1 July, 1951	1 July	110.35	5.10
Saint John	5	15 Dec., 1950	15 June	100.50	4.95
Regina	4½	1 July, 1950	1 July	77.50	6.78
Victoria	5	21 July, 1945	21 July	91.50	6.04
Quebec	5	1 June, 1948	1 June	100.50	4.95

*Payable in New York.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, c.	...	†20c	Mar. 1	Feb. 15
Do., pref	7%	1¾%	Apr. 2	Mar. 15
Belding Corticelli, pfd.	7%	1¾%	Mar. 15	Feb. 28
Borden Co. c.	$1.60	40c	Mar. 1	Feb. 15
Bk. Can. Nationale	$10	$2.50	Mar. 1	Feb. 15
Bank of Montreal	$8	$2	Mar. 1	Jan. 31
Bank of Toronto	$10	$2.50	Mar. 1	Feb. 15
Canada Malting (Coupon No. 25)	$1.50	37½c	Mar. 15	Feb. 28
Can. Bank of Commerce	$8	$2	Mar. 1	Jan. 31
Canadian Oil, pfd.	$8	$2	Apr. 1	Mar. 20
Can. Hydro-Elec., pfd.	$6	$1.50	Mar. 1	Feb. 1
Canada Vinegars	$1.60	40c	Mar. 1	Feb. 14
Dominion Bridge	...	50c	May 15	Apr. 30
Dominion Stores	$1.20	30c	Apr. 2	Mar. 15
Gachin Gold Synd. units	60c	15c	Mar. 31	Feb. 28
Do., extra	...	10c	Mar. 31	Feb. 28
Hollinger Gold	65c	5c	Feb. 26	Feb. 9
Do., extra	...	5c	Feb. 26	Feb. 9
Howey Gold	...	†3c	Feb. 20	Jan. 20
Imperial Oil, (No. 40)	50c	12½c	Mar. 1	Feb. 9
International Nickel, c.	...	10c	Mar. 31	Mar. 1
Inter. Proprietaries "A"	$2.60	65c	Mar. 15	Feb. 21
Do., participation	...	5c	Mar. 15	Feb. 21
Laura Secord	$3	75c	Mar. 1	Feb. 15
Loblaw Groc. "A" & "B"	80c	20c	Mar. 1	Feb. 12
McColl-Frontenac Oil c.	60c	15c	Mar. 15	Feb. 15
McIntyre-Porc. M.	$1	25c	Mar. 1	Feb. 1
Do., extra	50c	12½c	Mar. 1	Feb. 1
Do., bonus	...	12½c	Mar. 1	Feb. 1
Monarch Knitting, pref.	...	$3	Feb. 20	Feb. 10
National Biscuit, pfd.	$7	$1.75	Feb. 28	Feb. 14
N. S. Light & Power, pfd.	$6	$1.50	Mar. 1	Feb. 14
Page Hersey Tubes, pref.	$7	$1.75	Apr. 2	Mar. 20
Do., com.	$3	75c	Apr. 2	Mar. 20
Perfect Circle	...	50c	Apr. 1	Mar. 20
Rolland Paper, pref.	$6	$1.50	Mar. 1	Feb. 15
Royal Bank	$8	$2	Mar. 1	Jan. 31
Simon & Sons, pref.	...	‡5.25	Mar. 1	Feb. 20
Siscoe Gold Mines	12c	3c	Mar. 31	Mar. 15
Do., bonus	...	2c	Mar. 31	Mar. 15
San Antonio	...	†5c	Mar. 15	Mar. 1
Toburn Gold M.	...	†2c	Feb. 22	Feb. 5
Wainwright West Oil	...	*2c	Feb. 20	Feb. 10

†Initial. *Interim. ‡On arrears.

Dividends Resumed—
Monarch Knitting, pref. Feb. 20, $3. First payment since $1.75 paid Nov., 1930.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto.
February 13, 1934

	Bid	Asked
Industrial Stocks:		
Acadia Sugar c.	1.75	2.35
Acadia Sugar pfd.	4.25	4.75
Agnew Surpass pfd.	80.00	90.00
Allens London 7% pfd. bonus c.	36.50	....
Allens St. Cath. 7% pfd. bonus c.	36.50	....
Allens Toronto 7% pfd. bonus c.	19.50	....
Andian National	29.50	31.00
Atlantic Sugar A	84.50	90.00
B.C. P. & P. pfd.	6.00	....
Burns 6% pfd. bonus c.	5.00	8.00
Canada & Dom. Sugar	40.00	42.00
Can. Machinery c.	2.50	3.75
Can. Machy. pfd.	15.00	20.00
Canada Packers c.	46.50	48.00
Can. Packers pfd.	102.75	104.00
Canada Starch c.	6.50	....
Can. Starch pfd.	78.00	....
Can. Wire & Cable pfd. WW	67.50	72.00
Can. Indust. c. A	149.00	....
Can. Indust. c. B	148.00	153.00
Can. Indust. pfd.	128.00	132.00
Can. Westingh'se	45.00	46.50
Chase, pfd. bonus c.	18.00	22.00
Claude Neon Gen. Adv. Units	3.25	6.00
Copeland Fl. Units	3.50	....
Dom. Found. & Steel c.	6.00	....
Dom. Found. & Steel pfd.	47.00	....
Dom. Manufac. pf.	66.50	....
Dunlop Tire pfd.	66.00	....
East. Dairies pfd.	11.00	16.00
Easy Washing pf.	11.00	....
Federal Grain pf.	18.50	....
For. Power Sec. pfd.	17.00	....
Gen. Steel Wares pfd.	23.50	26.00
Goderich Elev. & Transit	6.50	7.50
Greening Wire pf.	60.00	65.00
Guelph Carpet pf.	75.00	....
Guelph Carpet c.	10.00	....
Hard. Carpets Units	15.50	21.00
Highland Dairy pf.	60.00	65.00
Inter. City Bak. c.	14.50	17.00
Inter. Propriet. A	32.00	33.00
Loew's London c.	.35	.75
Loew's London pf.	3.00	4.00
Loew's Toronto pf.	61.00	65.00
Mansfield Theat. pfd.	25.00	....
Massey-Harris pf.	26.00	28.00
Mt. Royal Hotel pfd.	1.50	2.50
Nat'l. Grocers c.	4.25	4.75
Nat'l. Grocers pf.	97.00	....
Para. Kitchener pfd.	33.00	....
Para. Oshawa pf.	39.00	....
Prov. Paper pfd.	69.00	71.00
Reliance Grain pf.	40.00	45.00
Robinson Cons. Cone	7.00	8.50
Rolland Pr. pfd. WW	56.00	....
Ruddy, E. L. pfd.	9.00	....
Serv. Stat. A pfd.	42.00	....
Standard Clay c.	....	15.00
Stand. Fuel pfd. bonus	72.00	....
Supersilk pfd. bon.	39.00	....
Supertest Pet. B pfd.	18.00	21.00
Thayers pfd.	24.00	27.00
Tor. Elevators pf.	93.00	95.00
United Corpns. A	7.25	8.75
United Corpns. B	2.25	3.75
Un. Grain Grow.	9.50	10.75
West. Grain pfd. bonus	6.50	10.00
Willards Choc. pf.	14.50	19.00
Ind. Stocks cont'd:		
Wood, Alex. pfd.	19.50	23.
Zimmerknit c.	3.00	....
Zimmerknit pfd.	25.00	....
Insurance Stocks:		
Brit. Amer. Assce.	20.00	30.
Canada Life	420.00	440.00
Can. Fire Ins.	54.00	58.00
Confed. Life 20% pd.	122.50	127.50
Cont. Life 20% pd.	38.00	43.00
Crown Life Ins.	100.00	115.00
Dom. Fire Ins.	85.50	....
Dom. Life 50% pd.	165.00	....
Dom. of Can. Gen.	110.00	120.00
Emp. Life 25% pd.	9.50	13.50
Excel. Life 30% pd.	71.50	....
Fed. Fire 25 %pd.	35.00	....
Great West Life	320.00	....
Guar. Co. of N. A. fully paid	208.00	225.00
Guar. Co. of N. A. 20% pd.	40.50	....
Imperial Life	280.00	....
Man. Life Ins.	218.00	220.00
Monarch L. 10% pd.	17.00	20.50
Nat. Life 25% pd.	53.50	60.00
Sov. Life 25% pd.	15.00	20.00
Sun Life	500.00	515.00
Western Assur. c.	15.50	19.00
West. Life 20% pd.	9.00	11.50
Trust & Loan Stocks:		
Br. Mtge. & Tr.	125.00	135.00
Chartered Trust	60.50	....
Eastern Trust	135.00	141.00
Lond. & West. Tr.	38.50	....
Premier Trust	82.50	....
Sec. Loan & Sav.	91.50	....
Sherbrooke Trust	100.00	109.00
Sterling Trust	....	42.00
Traders Fin. A pf.	35.50	....
Trusts & Guar.	37.50	....
Vict. Tr. & Sav.	130.00	140.00
Waterloo Tr. & Sav.	90.00	100.00
Investment Trust Shares:		
Can. Gen. Invest.	5.30	5.50
Can. Invest. Fund	3.30	3.50
Can. Investors	4.75	6.50
Cons. Div. Std. Sec. pfd.	11.00	....
Debent. & Sec. pf.	16.00	....
Dom. & Anglo Inv. Units	190.00	....
Dom. Scot. Inv. Units	18.00	....
Invest. Found. Units	32.00	....
Sec. Hold. Corp. pfd.	8.25	....
Power Issues:		
Calgary Pwr. pfd.	81.00	84.00
Can. L. & Pr. c.	40.00	....
Can. W. Nat. Gas pfd.	82.00	85.00
Great Lakes Pr. pfd.	40.50	....
Maritime Tel. & Tel. c.	10.00	11.00
Maritime T. & T. pfd.	11.00	12.00
N. B. Telephone c.	9.00	10.00
N. S. L&P c.	25.00	34.00
N. S. L&P pfd.	76.50	....

Recent London Quotations:

Brew. & Distillers	11s.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	2s.
Hudson's Bay	27s. 6d.
Do., 5% pref.	95s.
Internat. Holdings	32¼
Nfld. Pr. & Pap. deb. stock B 5½%	98½
Tor. Sub'an 4½% deb. stk.	20

Listed Bond Quotations

Week Ending February 12, 1934

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1934 High	Low
Abitibi, 1st mtge.§	5	1953	...	...	...	...	30	19½
Asbestos	5	1942	...	80	...	...	*65½	49
Can. Cons. Rubber	6	1946	8.11	...	...	...	*62	...
Can. Cottons	5	1940	6.21	94	...	...	*84½	...
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. S.S. Debs.	5	1943	...	66	...	...	*83½	...
Cedars Rapids	5	1953	4.75	103	...	...	*108	104½
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	*37	...
McNish	6	1948	8.46	4.00	4.00	3.75	4.25	3.75
Mex. L. & Pr.	5	1940	...	†59	...	...	*73½	70¾
Mtl. L.H.&Pr. debs.	3	1939	4.01	45½	45½	45½	45¼	43⅝
Mont. Tr. 1st mtg.§	5	1941	5.39	...	97⅞	...	93	97⅛
Mont. Trams. A§	5	1955	6.59	...	82	...	82½	75
Do., G. & Ref. B.	5	1955	7.44	...	...	...	*74½	73½
Do., C	4½	1955	6.70	...	...	...	75½	...
Do., D	5	1955	7.41	...	...	...	74½	...
N. S. Steel	5	1959	...	...	28½	27½	28½	25
Ontario Steel	6	1943	7.88	88	...	...	*90	80
Porto Rico Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	5.02	105	...	...	*102⅞	100
Winnipeg Elec.§	5	1935	...	83	...	...	79½	79½
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*101½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	3.03	105.25	....	...	*116.25	107.00
Do.	5½	1934	3.65	101.25	....	...	101.25	101.25
Do.	5½	1937	3.30	107.50	....	...	*110.25	109.25
Do., refund	4½	1940	4.10	101.75	....	...	*101.25	99.70
Do., refund	5	1943	4.33	104.25	....	...	*104.90	101.85
Do., refund	4½	1944	4.36	100.75	....	...	*100.50	98.25
Do., refund	4½	1946	4.36	100.75	....	...	*92.25	91.50
Do., renewal	4	1952	4.32	95.50	....	...	96.00	96.00
Do., refund	4	1945	4.38	96.12	....	...	*96.50	95.55
Conversion Loan	4½	1956	4.50	99.50	....	...	*100.70	97.00
Do.	4½	1957	4.50	99.50	....	...	*99.00	96.00
Do.	4½	1958	4.51	99.50	....	...	99.75	99.50
Do.	4½	1959	4.52	100.00	99.75	...	99.75	97.50
Nat. Service Loan	5	1936	3.65	103.00	....	...	*103.25	101.50
Do.	5	1941	4.32	104.00	....	...	*103.75	100.75
Dom. Loan	4	1935	3.37	100.50	....	...	*99.75	99.75
Unlisted—								
Cons. Paper	5¼	1961	...	...	23½	23½	23½	13½
Can. For. Inv. deb.	7	1949	6.89	101.00	....	...	*100.00	80.00

†Latest ask. ‡Quotations for 1930. *For 1931. *For 1932. *For 1933. None recorded in 1934 to date.

Unlisted Mining Stocks

February 13, 1934

	Bid	Ask
Adanac Gold	.24	.27
Algoma M. & F.	.15	.17½
Arntfield Gold	.72	.78
Arntfield Synd.	.65	.75
Astoria Rouyn	.02	.03½
Bathurst	.03½	.05
Beattie	1.27	1.32
Bidgood	.02	.03
Buff. Ankerite	1.82	1.92
Buff. Rouyn	...	.03
Bussieres Min.	...	.40
Can. Pandora	.23	.25
Can. Radium	...	.10
Canusa Mining	.03	.05
Casey Summit	.45	.55
Clover G. Units	18.00	20.00
Cochenour-Wil. Units	15.00	22.00
Cont. Columbia	...	.27
Continental Kirk.	.02	.05
Crown Reserve	.02	.03
Delta Units	30.00	50.00
Dorval Siscoe Units	...	15.00
Dunlop Cons.	.01	.02½
Eagle Oil	1.30	1.50
Echo Bay Expl.	...	.35
Edgecreek Un.	10.00	15.00
Fiske	...	.04
Four Nations	.09	.15
Gachin G. Un.	10.00	...
Galatea Units	15.00	25.00
Glenora Gold	.25	.35
Goldside Units	43.00	50.00
Gr. Bear Lake	.50	.55
Gunnar Gold	.89	.95
Herbin Lake Un.	9.00	14.00
Horseshoe	.05	.09
Island Lake	.05	.07
Kenty Gold	1.00	1.09
Kirk. Gold	.15	.20
Kirk. Divide	.19	.25
Lake Geneva	...	.18
Lamaque Gold	.75	1.00
Little Long Lac.	1.50	1.55
McCarthy Webb	.04	.07
Mackenzie Red Lake	.60	.63
McL. Cockshutt	.19	.22
Makwa Cham.	.25	.28
Man. & Eastern	.09½	.10½
Maple Leaf M.	.52	.55
Matachewan Can.	.12	.13
Mecca Gold	.21	.25
Metals Develop.	.02	.03½
Minefinders	1.00	...
Martin-Bird Un.	14.00	16.00
N.A.M.E. Units	5.00	7.00
Normetal Mine.	.40	.55
Normount	...	.21
Northl'd Pros.	300.00	500.00
N. Tiblemont Un.	...	20.00
O'Connell Gold	.20	.30
Oro Grande Dev.	...	.50
Peninsular Pet.	.00½	.01
Pontiac Rouyn	.48	.55
Que. Eureka Un.	11.00	15.00
Quebec Pros.	2.50	...
Silverore Un.	10.00	12.00
Silveradium Un.	70.00	85.00
Silver Valley	...	.20
Smelter Gold	.26	.27½
Sourdough Un.	5.00	10.00
Sun Bear	...	.22
Sunorca Explor.	1.25	1.35
Swayze Contact	...	.16
Tashota	.03	.04
Tiblemont Island	.19	.21
Toburn	.74	.79
Tyrrell Tp. McN.	...	40.00
Vipond	...	.50
West McW. Units	5.00	9.00
Wendigo	.25	.35
Young Davidson	.31	.33
Young Munro	.11½	.13½

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

Winnipeg Stock Exchange

(Transactions for week to February 10)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Feb. 10
..	..	Crescent Creamery	5	16	16	16
..	..	Gunnar Gold	400	.91	.88	.91
..	..	Home Investment	3	20	20	20
..	..	Island Lake	1,100	.05½	.05½	.05½
..	..	McLeod Cockshutt	3,500	.21½	.21	.21½
1	5.6	Monarch Life	5	18	18	18
..	..	Mecca Gold	500	.23	.23	.23
..	..	Smelters Gold	200	.28	.28	.28
..	..	Manitoba & Eastern	4,500	.11	.09½	.11
..	..	Ore Grande (Unit)	1	185.00	185.00	185.00
..	..	Western Breweries	50	1	1	1
..	..	Pelissiers, com.	50	½	½	½

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber c.	..	4
Do., pref.	..	65
Can. Fire Insur.	54½	..
Gt. West Life	315	..
Northern Trust	10	..
Pelissiers, pref.	25	..
Reliance Grain, pf.	36	40
Traders Bldg. Assn.	65	..
Untd. Grn. Growrs.	10	10½
Can. Amer. Tr. shs.	2⅝	3⅛
Can. Invest. Fund	..	3.50
Fundamental Ser. A	..	4⅛
Fundamental Ser. B	..	4⅛
Grouped Inc. Shs.	..	4.90

*Stocks more active on other exchanges not included.

TWIN CITY SHOWS EXPENSE REDUCED; CHARGES EARNED

Improvement Was Marked in Latter Months of 1933

While gross revenue of Twin City Rapid Transit Co. continued to decline in 1933 further reduction in operating expenses was an offsetting factor and net operating income was $1,185,323 as against $1,225,132 in 1932. Gross revenues declined by 11.4 per cent to $8,076,532 while operating expenses were cut by 13.2 per cent to $6,891,209. The company was able to meet all fixed charges and retain a surplus of $50,436, which, however, disappears after provision for amortization of discount and expense in connection with funded debt.

A comparison of monthly figures of gross revenue and net income by months for 1933 and 1932 indicates a marked improvement in the last six months of 1933 from the poor business experienced in the first half of the year. In December, 1933, gross revenue was very slightly in excess of gross revenue in December, 1932. In previous months gross revenue had been under that of 1932, as much as 22.49 per cent in March. Starting in April there was a marked reduction in the spread between figures for 1933 and 1932. In the last four months of 1933 the company was "out of the red" and in December there was a net income of $121,731 which compared with net income of $59,818 in 1932.

Cons. Income and Surplus Account Years Ended Dec. 31

	1933 $	1932 $
Cross oper. inc.	8,076,532	9,117,359
Less: Oper. exp.	6,891,209	7,892,227
Net oper. inc.	1,185,323	1,225,132
Add: Other inc.	96,630	124,828
Total net earn.	1,281,953	1,349,960
Less: Rent for leased roads	2,784	3,532
Funded debt int.	1,170,611	1,174,445
Div. notes int.	46,318	45,764
Misc. debits	11,804	11,648
Bonds amort.	73,522	72,436
Net loss on prop.	......	1,291
Net profit	*23,086	40,844
Add: Prev. surp.	1,873,980	1,871,141
Adjustment	10,443	......
Profit on cos. bonds purch.	30,424	14,512
Less adjustment	......	‡52,517
Balance forward	1,891,761	1,873,980

*Deficit. ‡Including $46,296 adjustment to cost of Cable Consolidated bonds acquired in 1931 and transferred at par to trust fund for secured dividend notes.

Working capital position shows no marked change. The increase in current liabilities is due entirely to increase in tax liability which now stands at $645,358. In current assets, cash is up to $1,200,388 from $1,172,216 and materials and supplies are down to $690,287 from $775,616. Working capital position is as follows:

WORKING CAPITAL

	1933 $	1932 $
Current assets	2,122,480	2,226,411
Current liabilities	854,208	836,080
Working capital	1,268,272	1,390,331
Ratio	2.48—1	2.66—1

NATIONAL SYSTEM OPERATING INCOME NEARS 1932 LEVEL

Good Showing Made, But Net Deficit Will Reach $100,000,000

From Our Own Correspondent

MONTREAL.—By a reduction in operating expenses almost dollar for dollar with the drop in gross revenues, the Canadian National Railway system was able to hold net operating income in 1933 at approximately the same level as in 1932.

Release of the complete report is expected to show a total net deficit for the year in the neighborhood of $100,000,000. The latter figure includes interest on funded debt held by the public, interest on Dominion Government advances, taxes and other charges. For 1932 the total net deficit was $96,532,459.

Operating revenues of the System in 1933 amounted to $148,519,742 and after payment of operating expenses, net revenues totalled $5,707,183. For the previous year gross income aggregated $161,103,594 and net revenues $5,895,434. Thus there was a decline in gross during the year of $12,583,852 compared with a reduction of $12,395,601 in operating expenses.

HOME INVESTMENT PROFIT IS 3.75 P.C.

Reserve Fund Reduced by $250,000—To Set Up Contingency Reserve

Home Investment & Savings Association, Winnipeg, had net profit of $37,421, after taxes, in 1933, and earned 3.75 per cent on paid-up capital of $996,400. In 1932, the association earned 4.17 per cent. Reserve fund was reduced to $250,000 from $500,000 with $150,000 being transferred to contingent reserve. No dividend was paid during 1933.

Liabilities to the public were down to $434,057 from $551,039. Reduction was due to decline in currency debentures outstanding to $223,516 from $286,684 and deposits on call to $164,299 from $215,692. Deposits for fixed term dropped to $31,102 from $35,178.

Quick assets exceed deposit liabilities. Cash is shown at $39,154 and investment in Dominion, provincial and municipal bonds at $175,211. In addition there is held $56,934 of industrial bonds. Loans on first mortgages are down to $1,019,567 from $1,150,827; agreements for sale on properties foreclosed and resold, less reserve, are down to $109,627 from $137,490. Interest on mortgages and agreements of sale, due and accrued is up to $153,423 from $50,460. Real estate, less reserve for losses, is up to $299,882 from $284,272. Record of the association for past six years is as follows:

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928	994,322	72,018	4	7.24
1929	995,923	71,144	5	7.14
1930	996,325	63,306	5	6.35
1931	996,400	53,056	4	5.32
1932	996,400	41,597	3	4.17
1933	996,400	37,421	.	3.75

*After deducting taxes.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	2,271,167	500,000	673,681
1929	2,287,148	500,000	721,708
1930	2,251,342	500,000	700,971
1931	2,167,216	500,000	623,489
1932	2,057,999	500,000	551,039
1933	1,853,410	†400,000	434,057

†Including contingent reserve $150,000.

Big Mine Discoverers Will Gather at Quebec

Men Who Found Noranda, Dome, Great Bear Lake Silver and Radium, Siscoe, Coriboo Gold, Gods Lake and Garson Will Tell How They Did It

Prospectors, mining engineers and mining men generally will have one of the most interesting days in the history of the industry and of the Institute of Mining and Metallurgy when a whole session is devoted on the afternoon of April 4, at the Chateau Frontenac, to hearing the first-hand testimony of all the available discoverers of Canada's outstanding mines. The names of some of these have already grown legendary to the general public but Canada's mining importance is of such late growth that ancient history is still able to rub shoulders with all that is modern. In fact, some of the most active prospectors and mining men today are still those who have already figured in the history of Canadian mine-making.

Ben Hollinger is no longer with us and Sandy McIntyre may not be available but there is still a very imposing list of men who have enthralling stories to tell. There is, for instance, Ed. Horne, who will tell "How I found the Noranda Mine." The committee has induced Robert J. Jowsey, himself the veteran discoverer of Gods Lake Mine in Manitoba and joint discoverer of the Keeley Mine with J. M. Wood, to preside over this afternoon devoted to pioneers and a talk will be expected from him as well.

Dome Discoverer to Talk

Fred M. Wells, who has been responsible for the development of the Cariboo Gold Quartz Mine in British Columbia, will tell that tale of strenuous endeavor. The hearers will be taken back into early days as well by Jack Wilson, who discovered the Dome Mine in Porcupine, one of the great gold mines of the world.

Stanley E. Siscoe, who discovered the Siscoe Mine in Northwestern Quebec, will be present. So will Leo Springer, whose name is associated with the Opemika Copper Mines in Northwestern Quebec, and Tom Montgomery, Sr., who found the Waite-Ackerman-Montgomery copper mine.

How Mines Are Found

J. A. Borthwick, who found the Casey-Summit Gold Mine in Western Ontario, and Russell Cryderman, who was one of the old prospectors in Sudbury, will have interesting tales to tell. Russell Cryderman and his father together found the Garson Mine at Sudbury. Gilbert La Bine, whose name has been so prominently associated with the discovery of radium and silver in Great Bear Lake, will give an address. Karl Springer, one of the most experienced Canadian prospectors, will tell how a trip is planned and the methods of procedure.

Though these men will lead discussions, it is hoped that prospectors from all over Canada will be attracted to the meeting. In the past most attention has been given to mines that are made or in the making. Never before has an entire session been given to the actual men who found the mines and, therefore, made the most important contributions to mining wealth.

At the Mines

Adanac Gold Mines—Day and night shifts are engaged in shaft sinking and the first level will be established at a depth of 125 ft. The "F" vein continues in the shaft and is stated to be highly mineralized with gold values showing an increase from $8.40 to $13 per ton.

* * *

Bute I.X.L. Gold Mines—P. E. Peterson, engineer in charge of operations states: "We expect to encounter one of our important veins in a few days in the shaft which is being sunk. During the past month or so we have been hampered by the lack of transportation facilities owing to bad weather, but government snowplows are now clearing the roads and in a few days they should be open." The present development programme on the Bute I.X.L. calls mainly for the sinking of a two-compartment shaft which it is proposed to sink to a depth of 500 feet.

* * *

B. C. Nickel—The main tunnel is in 266 ft., according to Major C. B. North. The last 166 ft. he reports, is in solid pyroxenite showing irregular mineralization. The first main objective of this tunnel is 500 to 600 feet ahead. At this point it is expected to intersect one of the massive surface showings in which nickel values were found.

* * *

Cariboo Gold—An entirely new vein on the 1,600 foot level and an expected quartz vein on the 1,200 foot level have been encountered at the Cariboo Gold Quartz mine on Jack of Clubs Lake according to reports. The cross-cut on the 1,600 foot level from the bottom of Number one shaft broke into several feet of quartz which was described as looking "good," while another vein was struck on the 1,200 foot level which showed several feet of ore and appeared to be "an important strike."

* * *

Canada Radium Mines—A report on the property of Canada Radium Mines Limited has been compiled by M. B. R. Gordon, E.M. Mr. Gordon recommends the erection of a concentrating plant of 100 ton capacity per day or, as an alternative, a pilot concentrating mill of 20 or 25 ton capacity. It is stated that 47 veins have been discovered on the company's property in Haliburton and that all veins show uraninite crystals and other radio-active ores.

* * *

Columario Consolidated Gold Mines—Since September 1, 1933, development work on the Columario property has consisted of connecting up known ore shoots by cross-cuts and raises to make all the ore in these shoots available for mill. Three raises have been completed and of 35 samples taken the average value is better than $35 per ton in gold (present price) over widths up to 4 ft. 6 ins., according to an official announcement of the company. The mortgage of $75,000 placed on the property last fall has been reduced to $5,000.

* * *

Dentonia Mines — Mill machinery has all been delivered at the property and it is expected that the plant will be tuned up early in March.

* * *

Gold Harbor Mining—Work at the company's property at Mitchell Inlet, Moresby Island, will be recommenced during February on a more extensive scale, additional financing having been completed with Boston interests, it has been announced. The new financing will provide a total of $75,000 for development purposes and will be sufficient to maintain operations throughout the summer at the end of which time it is expected a new cyanide plant will be erected to treat the ores. During the past season a small mill was erected and some ore milled, chiefly taken from the old dump. Two gold bricks with a total value of about $5,000 were shipped out and in addition a considerable amount of development and exploratory work was done by the company, during the course of which an eight foot vein was uncovered containing excellent values for milling purposes.

It is now planned to continue the surface stripping with a view to determining the length and number of veins bearing good gold values.

* * *

Haida Gold Mines—Directors are reported to have closed a deal with Eastern American interests for financing the completion of development on their free gold property at Kootenay Harbor on the Queen Charlotte Islands.

* * *

Moss Gold Mines — According to N. A. Lawton, general manager, it is planned to deepen the shaft on the company's mine to a depth of 1,000 feet, and if from the 1,000-ft. level the showing is as good as indications promise the whole operation will be speeded up. Equipment to place a second portion of the milling plant in operation has arrived on the property and when installed the mill will have a capacity of from 200 to 250 tons per day.

* * *

Read-Authier Mine—The second interim report to shareholders states that since last October the company has discovered a mineralized zone containing ore bodies of evident economic importance and that this zone has been exposed over a length of 400 ft. Diamond drilling is now under way and the contract has been increased from 2,000 to 3,000 ft. of drilling. The company now owns 708,000 shares of Lamaque Gold Mines Ltd., in which Teck-Hughes Gold Mines Ltd. has the majority holding. A total of 1,680,661 shares of Read-Authier Mine is outstanding and there are no options on treasury stock.

* * *

Richfield Petroleums—Officials of the company declined the initial offer made recently by the Royalite Oil to purchase the Richfield property by an exchange of shares. Directors hope that by declining the initial offer that another and better one will be made by Royalite.

* * *

Reliance Gold Mines—Tentative arrangements for the financing of this company which owns a property in the Bridge River district have been completed with San Francisco interests according to a statement issued by John R. Sigmore, president of the company.

* * *

Reward Mining Co.—A programme of trenching for the location of veins on the Gold Reef property of the company near Stump Lake is to be undertaken immediately according to an announcement by C. P. Riel, managing director. The work, which is to be carried out with a steam shovel will be similar to that done on the company's Bridge River property. Surface stripping will also be done for the purpose of determining the best location for the proposed main working shaft.

* * *

Reno Gold Mines—With the addition of the new classifier, the output of the mill at the Reno Gold Mine in the Sheep Creek area is expected to be increased to 100 tons a day by the end of this month, it is stated. At the present time the mill is handling between 80 and 85 tons a day. Development of the sixth level has proven the vein for 278 feet running three feet in width with an average value of 1.59 ounces in gold. The hoist has been ordered and the mine prepared to start sinking the new three compartment shaft from the fifth level.

* * *

Smelter Gold Mines—The shaft has been sunk to a depth of 20 ft. and is now ready for the erection of the head frame and the installation of the mining plant. The shaft is being sunk directly on the vein which is stated to have shown an average width of over 7 ft. The company has purchased two tractor-trains and is handling all its own freight.

* * *

Sterling-Pacific Oil Co.—Minority shareholders of the company voted against accepting the offer of the Royalite Oil Co. to exchange shares on the basis of 25 Sterling Pacific for one Royalite. They contend that the basis should be one Royalite for five Sterling-Pacific.

* * *

Vancouver Island Gold Mines—Development of the old Alberni claims on Mineral Hill about ten miles from Port Alberni on Vancouver Island will be proceeded with immediately by the recently incorporated Vancouver Island Gold Mines Ltd., it is reported.

The property, consisting of 29 mineral claims, was formerly owned by the Alberni Consolidated Gold Mines Ltd.

* * *

Wayside Consolidated Mines—The company has awarded a contract for 5,000 feet of diamond drilling which will consist of flat holes in the footwall structure and deep holes to determine the best position for a new shaft. The new shaft will start sinking in about a month and it is expected to get to the 500 ft. horizon within five months. The shaft will be timbered to the 500 ft. horizon in preparation for going to 1,000 ft.

Work on the mill will be resumed as soon as snow conditions permit. The opening of the mill, which was planned for July, will be completed and in production some time in the fall.

Mining Index Rises

The weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926 = 100, was 112.9 for the week ended Feb. 8, as compared with 108.6 for the previous week.

Nineteen gold stocks rose from 104.1 to 108.4, and four base metals stocks from 128.9 to 133.5.

Mining Stock Quotations

Week Ending February 12.

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Feb. 5 (or last)	High for week	Low for week	Close Feb. 12
1	.06	.01	Aconda	330,800	.02	.06	.02½	.04½
No	.22	.13	Aldermac	232,850	.15½	.22	.14	.17
1	.10	.02½	Alexandria	384,950	.07½	.10	.07½	.07½
No	.03½	.01½	Algoma	155,300	.03	.03½	.01½	.02½
1	.01¼	.00¾	Algonquin	624,000	.00¾	.01¼	.00¾	.01¼
1	.02½	.01½	Amity Copper	24,000	.02½	.02½	.02	.02
No	2.75	2.00	Anglo-Huronian	1,458	2.50	2.75	2.55	2.75
1	*.01	.00½	Apex	......	.00½	.....	.....	.....
1	.04½	.03	Area	7,000	.03½	.04½	.04	.04
No	.06½	.03½	Arno	7,500	.05	.05½	.04	.04½
1	1.01	.90	Ashley	80	.96	.90	.90	.90
1	.08	.04	Bagamac	18,400	.07	.06½	.05½	.06
1	.01½	.00½	Baldwin	500	.01	.00½	.00½	.00½
1	.17½	.12½	Barry Hollinger	91,750	.16½	.17	.15	.17
1	1.83	1.48	Base Metals	18,460	1.79	1.83	1.75	1.76
5	.91	.45	B. E. A. R.	214,960	.52	.56	.50	.53½
1	.38½	.32½	Big Missouri	62,600	.36½	.38	.35	.37
1	.28	.23	Bobjo	49,520	.26	.27	.25½	.26
No	11.90	9.90	Bralorne	1,510	11.75	11.70	10.75	11.25
.	.90	.65	Do., Rights	2,180	.85	.70	.65	.65
1	.15	.12	Brett Trethewey	6,400	.13	.13½	.12½	.13
50c	.80	.28½	Bridge River Ex.	36,050	.78½	.80	.68	.73½
1	.02½	.01½	Brownlee	99,000	[illegible]	.02½	.02½	.02½
1	.01½	.00½	Buckingham	10,800	.01½	.01½	.01	.01½
No	.08	.06½	Buffalo Can.	34,600	.06½	.08	.06½	.07
5	30.75	23.50	Bulolo	450	29.25	28.90	28.50	28.50
No	.02½	.01½	Bunker Hill	73,250	.02½	.02½	.01½	.02
5s	1.10	1.10	B'Wana McKubwa	......	1.10	.....	.....	.....
No	.02½	.02½	Canam Metals	1,000	.02½	.02½	.02½	.02½
1	.10	.07½	Can. Kirkland	119,778	.08½	.10	.08½	.08½
No	.58	.38	Can. Malartic	22,500	.45	.47	.42½	.45
1	.01½	.00½	Capital Rouyn	14,000	.01	.01	.00½	.00½
1	2.85	2.25	Cariboo Gold	710	2.65	2.75	2.50	2.50
1	.03½	.01	Cartier Malartic	23,850	.03½	.03½	.03	.03½
1	.64	.49	Castle Trethewey	16,792	.50	.57	.51	.56
1	.14½	.07	Cen. Manitoba	75,200	.08½	.09½	.07	.09
1	.61	.54	Cen. Patricia	46,999	.59½	.60	.56½	.58
No	.07	.05½	Chibougamau Pros.	123,150	.07	.07	.06½	.06½
No	.15½	.09	Church. M. & Mill.	38,900	.15	.15	.13	.14½
No	.02½	.01½	Clericy	27,000	.02½	.02½	.02	.02
1	.02	.01	Clifton Cons.	31,250	.01½	.02	.01½	.01½
5	5.50	4.00	Coast Copper	1,305	5.40	5.50	4.70	4.85
1	.05½	.04½	Cobalt Contact	19,500	.04½	.05½	.04½	.05
1	.69	.55½	Columario	57,625	.67	.69	.66½	.69
5	1.75	1.35	Coniagas	300	1.65	1.60	1.40	1.45
No	1.55	.97	Coniaurum	7,178	1.35	1.30	1.15	1.20
25	137.50	132.00	Cons. Smelters	2,269	135.25	135.50	132.00	133.00
No	36.50	32.25	Dome Mines	21,590	34.95	36.50	34.60	35.00
No	.06½	.05	Dom. Explorers	5,700	.05	.05½	.05	.05½
1	.01½	.00½	Dominion Kirk	8,500	.01½	.01½	.01½	.01½
1	.02	.00½	Don Rouyn	454,600	.01	.02	.01	.01½
1	.02	.01½	Duparquet	1,000	.01½	.01½	.01½	.01½
1	3.95	3.25	Eldorado	36,150	3.36	3.60	3.36	3.54
No	3.30	3.00	Falconbridge	3,840	3.20	3.23	3.12	3.19
1	.03½	.01½	Federal	45,000	.03½	.03½	.02½	.02½
No	.04½	.02½	Gilbec	114,150	.03½	.04½	.03½	.04
No	.84	.70	God's Lake	14,000	.73	.75	.70	.73
1	.14½	.08	Goldale	9,850	.11½	.11½	.10½	.10½
10	.28½	.16	Goldfield	17,800	.26	.28½	.25	.28
1	.17½	.11½	Goodfish	16,400	.15	.15	.14	.15
1	.07	.02½	Graham	104,250	.05	.07	.05	.06½
1	.71	.62	Granada	22,850	.70½	.71	.63	.64½
1	.07	.05	Grozelle	3,500	.05½	.06½	.05½	.05½
1	.38½	.30	Grull Wihksne	1,500	.36	.38	.30	.35
1	.36	.30	Halcrow Swayze	18,100	.35½	.35	.34	.34½
1	.05½	.03½	Harker	44,214	.04½	.05½	.04½	.05½
1	.01½	.00½	Hilltop	12,000	.00½	.01	.00½	.01
5	14.00	11.40	Hollinger	42,503	13.50	14.00	13.45	13.75
1	1.09	.93	Howey Gold	44,205	1.03	1.04	.95	.96
No	10.50	9.00	Hudson Bay	1,970	10.50	10.30	9.85	9.85
No	*.55	.25	Huronian	......	.40	.....	.....	.....
1	14.25	10.45	Inter. Mining	650	14.00	14.00	13.00	13.00
.	5.15	4.00	Do., Pur. Warr.	......	5.15	.....	.....	.....
No	23.90	21.15	Int. Nickel	44,358	23.60	23.90	22.00	22.45
1	.07	.02½	Jackson Manion	278,750	.06½	.07	.05	.06½
1	*.70	.20	Keeley	......	.50	.....	.....	.....
1	.01½	.00½	Keora Mines	4,000	.01½	.01½	.01½	.01½
1	.56	.45	Kirk. Hud. Bay	700	.54	.45	.45	.45
1	.02	.00¾	Kirk. Hunton	15,500	.01½	.01½	.01	.01
1	.35	.29	Kirkland Lake	23,650	.30½	.31½	.29	.29½
1	.03½	.01½	Kirkland Premier	40,100	.03½	.03½	.03	.03½
1	.30	.21	Kirk. Townsite	14,300	.28	.30	.23½	.26
20c	.01½	.01½	Koot. Florence	20,000	.01½	.01½	.01½	.01½
1	.20	.11	Lakeland	13,400	.14	.15½	.15	.15
No	.11½	.07	Lake Maron	69,950	.11	.11½	.09	.09½
1	47.00	42.00	Lake Shore	4,500	44.00	45.00	44.25	44.50
1	.17	.08	Lebel Oro	81,150	.14½	.16	.14	.14
No	.16	.12	Lee Gold	24,900	.15	.16	.14	.15
1	2.32	1.85	Macassa	38,597	2.19	2.19	2.12	2.17
1	.02½	.01½	Malrobic	39,000	.02	.02	.02	.02
No	.10	.06	Mandy	5,600	.09	.10	.09½	.10
No	.04	.02	Manitoba Basin	63,100	.03	.03½	.02½	.02½
5	43.25	39.25	McIntyre	11,087	42.00	42.50	40.00	40.50
1	.50	.50	McKinley	375	.50	.50	.50	.50
No	.03	.01½	McLeod River	133,100	.02½	.02½	.02	.02½
1	.53	.39	McMillan	38,420	.48½	.48	.45	.46
No	.50	.32	McWatters	22,350	.32	.35	.32	.34½
1	1.21	1.00	McVittie	24,675	1.10	1.10	1.03	1.06
No	2.00	1.60	Mining Corp.	9,455	1.90	2.00	1.85	1.95
1	.05½	.02½	Moffatt Hall	60,100	.04½	.04½	.03½	.04
1	.11	.08½	Moneta	20,200	.10½	.11	.09	.10
1	*.00½	.00½	Montreal Rouyn	......	.00½	.....	.....	.....
1	.04	.02½	Moss	1,000	.02½	.04	.04	.04
1	.02½	.01½	Murphy	22,500	.02½	.02	.01½	.02
No	.03½	.02	Newbec	10,500	.03½	.03½	.03	.03½
1	.05	.03	Night-Hawk Penn.	33,600	.03½	.05	.04½	.04½
5	2.60	2.30	Nipissing	7,556	2.35	2.57	2.35	2.55
No	36.50	33.25	Noranda	15,749	36.00	36.50	34.85	35.00
No	.35	.30	Nor. Canada	1,700	.32	.31	.30	.30
1	.16	.11	Osisko	300	.16	.12	.12	.12
1	.49½	.36	Parkhill	51,900	.48	.49	.43	.48½
1	.02½	.01½	Pawnee Kirk.	19,000	.01½	.02½	.01½	.02
1	.25	.19	Paymaster	8,200	.23	.22½	.21	.21
1	1.10	.75½	Pend Oreille	5,250	1.08	1.10	1.00	1.02
1	.03½	.02½	Peterson Cobalt	5,500	.02½	.03	.02½	.02½
1	12.75	10.75	Pioneer Gold B.C.	8,445	12.25	12.70	11.85	11.90
1	.03½	.01½	Porcupine Crown	10,000	.02½	.02½	.02	.02½
1	.01	.00½	Potter Doal	3,500	.00½	.00½	.00½	.00½
1	1.11	1.02	Premier Gold	52,645	1.06	1.11	1.06	1.09
1	.01½	.01½	Preston E. Dome	2,000	.01½	.01½	.01½	.01½
No	.48	.30	Prospectors Air's	1,800	.35	.40	.30	.40
No	.09½	.05	Quemont	1,800	.08	.09	.07½	.07½
1	.46	.27	Read Authier	38,700	.43½	.46	.39	.40
1	1.28	.87	Reno	26,380	1.20	1.22	1.08	1.13
1	.01½	.00½	Ribago	19,500	.01½	.01½	.01	.01½
1	.02½	.01½	Ritchie	29,500	.02	.02½	.01½	.02½
1	.03½	.01½	Robb Montbray	4,803	.02½	.02½	.02½	.02½
1	2.48	1.75	San Antonio	59,703	2.14	2.48	2.14	2.42
1	*.07	.02	Seven Troughs	......	.07	.....	.....	.....
1	1.23	.99	Sherritt Gordon	37,724	1.20	1.23	1.08	1.12
1	1.80	1.43	Siscoe	131,622	1.68	1.80	1.60	1.79
1	.03½	.02½	South Keora	2,000	.02½	.02½	.02½	.02½
No	.26½	.10	South Tiblemont	36,400	.13	.12½	.10	.10
No	.13	.08½	Stadacona	57,800	.11½	.12½	.11½	.12½
1	.49	.33	St. Anthony	31,800	.48	.48	.40	.40½
No	1.50	1.00	Sudbury Basin	18,540	1.35	1.50	1.28	1.46
1	.12	.07	Sudbury Contact	38,700	.10	.12	.09½	.12
1	.01½	.00½	Sudbury Mines	2,000	.01½	.01½	.01½	.01½
No	.18	.18	Sudbury Nickel	......	.18	.....	.....	.....
1	.35	.25	Sullivan	18,050	.30	.32½	.30	.31
1	2.14	1.29	Sylvanite	130,840	2.02	2.14	1.93	2.13
1	6.20	5.75	Teck Hughes	22,398	5.95	6.05	5.80	5.95
1	.38	.20	Thom. Cadillac	180,878	.35½	.38	.34½	.37½
1	.39	.25	Towagmac	12,847	.33	.39	.25	.27
1	.85	.35	Treadwell	......	.59	.....	.....	.....
1	.20½	.18	United Kirkland	......	.20	.....	.....	.....
No	.02½	.01½	Vacuum Gas	40,000	.01½	.02½	.01½	.02½
No	1.10	.77	Ventures	49,860	1.06	1.08	.91	.95
1	.02½	.01½	Vickers	106,000	.02	.02½	.01½	.01½
No	1.40	1.12	Waite Amulet	8,153	1.30	1.35	1.25	1.29
50c	.48	.40	Wayside	72,425	.45½	.46½	.43	.43½
No	.40	.31½	White Eagle	88,150	.35	.36	.34	.35½
1	.06½	.03½	White Lake	6,800	.04½	.05	.04½	.04½
1	.13	.07	Wiltsey Coughlan	30,700	.10½	.11½	.09½	.11
1	.09½	.05	Wood Kirkland	10,500	.09½	.09	.08	.09
No	7.45	6.75	Wright-Hargreaves	21,690	7.40	7.45	7.15	7.15
			OIL STOCKS					
No	.21½	.17	Acme Gas & Oil	84,958	.18	.21½	.17½	.21½
1	*.05	.04½	Admiral	......	.05	.....	.....	.....
No	*.01	.01	Advance	......	.01	.....	.....	.....
1	1.40	1.02	Ajax	78,300	1.06	1.40	1.05	1.40
1	.25	.17	Alta. Pacific	4,500	.20	.20	.17	.17
1	.15½	.12	Amalgamated	8,500	.14	.14	.13½	.14
1	.07½	.04½	Anaconda	172,550	.05½	.07½	.06	.07½
.	.09	.06	Askalta	6,000	.08	.09	.08	.09
No	.35	.20	Associated	12,875	.30	.31	.28	.30
No	.12	.06½	Baltac	3,800	.09½	.10	.09	.09
No	1.15	.95	Calgary and Ed.	1,600	1.08	1.09	1.03	1.08
1	.15	.11	Calmont	13,300	.13	.14	.12½	.13
1	.10½	.06	Common. Pete.	3,700	.10	.10½	.10	.10
No	.65	.50	Dalhousie	4,025	.55	.59	.56	.59
No	.08½	.04½	Devenish	10,050	.07	.07	.05	.06½
No	.30	.23	East Crest	2,000	.25	.25	.23	.23
No	.09	.09	Erie Gas	......	.09	.....	.....	.....
No	.01	.00½	Fabyan Pete	28,500	.00½	.01	.00½	.01
No	.75	.40	Foothills	1,300	.60	.55	.45	.45
No	.16½	.10	Freehold	7,650	.15½	.15½	.14	.14
No	.13	.08	Hargal	14,050	.10	.11	.09	.10
1	.15½	.15½	Highwood Sarcee	500	.....	.15½	.15½	.15½
No	1.90	1.56	Home	12,600	1.85	1.90	1.80	1.89
No	.02½	.02	Homestead	......	.02	.....	.....	.....
1	.16½	.13	Homestead O. & G.	5,700	.14	.16	.14½	.15
No	.44	.20	Lowery	16,000	.33	.44	.35	.42½
No	.05	.03½	Madison	47,200	.04½	.04½	.04½	.04½
No	.35	.14	Marion Oil	48,200	.33	.35	.30	.31
No	.05½	.04½	McD. Segur Ex.	50	.05½	.04½	.04½	.04½
1	*.08½	.05	McD. Segur N.	......	.06	.....	.....	.....
1	.47	.40	McLeod	1,450	.45	.47	.45	.45
No	.22	.15	Mercury	42,780	.18½	.20	.18	.19
No	.42	.32	Merland	1,600	.37	.36½	.33	.35
1	.30	.25	Midwal Oil	......	.30	.....	.....	.....
No	.22	.16	Mill City Pete	1,100	.20	.22	.19	.22
1	.33	.25	Model	8,400	.30	.30	.29	.30
5	.14	.09	Nordon	5,100	.11	.11	.10½	.11
No	.06½	.05	Oil Selections	107,400	.05½	.06½	.05½	.06
No	.16½	.06½	Okalta	13,600	.12½	.13	.09½	.09½
100	29.00	20.00	Do., pref.	......	20.00	.....	.....	.....
No	.27	.21	Olga Gas & Oil	7,200	.21	.23½	.21	.23
.	.17	.07	Pacalta Oil	34,200	.....	.17	.07	.17
1	.90	.75	Petrol Oil & Gas	400	.80	.90	.90	.90
No	*.02	.02	Richfield	......	.02	.....	.....	.....
No	19.55	18.30	Royalite	1,145	18.50	19.00	18.50	19.00
1	.10	.07½	Sarnia Oil	7,800	.08½	.08½	.08	.08½
No	.15	.13	South West Pete.	1,500	.15	.15	.15	.15
1	.29	.23	Spooner	100	.27	.29	.29	.29
No	.70	.60	Sterling Pacific	19,700	.66	.70	.65	.68
No	.11½	.07½	United	12,600	.10	.10½	.09	.09
No	.25	.11	Vanalta	35,875	.14	.25	.15	.23
No	.97	.77	Wainwright West	25,725	.92	.97	.94	.97
1	.22	.20	Wellington Oil	1,000	.22	.20	.20	.20

VANCOUVER STOCK EXCHANGE
(Transaction for Week to February 6.)

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Jan. 30 (or last)	High for week	Low for week	Close Feb. 6
.	.09½	.04½	Alexandria G.	67,000	.06½	.09½	.06½	.09½
25c	.03½	.01	Bayview	44,000	.03	.03½	.02½	.02½
20c	.08½	.05½	Beaver Silver	16,150	.06	.06	.05½	.05½
25c	.06½	.04	Big Slide	......	.04	.....	.....	.....
25c	.03	.02	Bluebird	......	.02	.....	.....	.....
1	1.00	.83	Bradian	5,520	.90	.91	.85	.89
No	11.65	9.85	Bralorne	4,274	11.10	11.65	11.00	11.15
1	.44	.20	Bridge River Cons.	97,200	.42	.42	.39	.40
50c	.80	.28	Bridge River Exp.	165,405	.65	.80	.62½	.77
100	99.00	99.00	B. C. Electric, pfd.	......	99.00	.....	.....	.....
1	.86	.51½	B. C. Nickel	79,175	.76	.86	.77	.86
1	1.10	1.00	B. C. Silver	......	1.10	.....	.....	.....
No	*.82	.52	Burns Mountain	......	.55	.....	.....	.....
50c	.27	.20	Butte I. X. L.	5,326	.25	.26	.25	.26
1	2.90	2.00	Cariboo Gold	15,435	2.45	2.75	2.36	2.61
No	10.00	8.75	Coast Breweries	399	9.00	9.75	9.00	9.75
.	.27	.21	Congress Gold	43,400	.....	.27	.21	.27
25c	.01	.01	Cork Province	2,500	.01	.01	.01	.01
1	*.05	.02½	Cotton Belt	......	.05	.....	.....	.....
1	.04	.01½	Dalhousie Mines	15,000	.03½	.03½	.03	.03
No	.61	.25	Dentonia	38,025	.45	.61	.44	.58
.	.08½	.06	Dawson Gold	8,500	.....	.08½	.06	.08
1	.45	.28	Dunwell	9,258	.31	.35	.28	.29
1	.42	.31	George Copper	400	.40	.42	.42	.42
50c	.02½	.02	Geo. Enterprise	4,000	.02½	.02	.02	.02
1	.03	.02½	Georgia River	83,500	.02½	.03	.02½	.02½
.	.07½	.01	Glacier Creek	9,200	.06	.06½	.05½	.06
1	.55	.45	Golconda	23,650	.50	.55	.47	.55
50c	.47	.27	Gold Belt	9,175	.40	.42	.38	.41
1	*1.50	.95	Golden Belle	......	1.50	.....	.....	.....
.	.20	.16	Grange	6,412	.19	.20	.16	.18
50c	.06	.04	Grandview	6,100	.04	.04½	.04	.04½
1	.40	.28	Grull Wihksne	12,150	.36½	.38	.36	.37
.	.07	.05	Hercules Con.	168,250	.05½	.06½	.05½	.06
No	.20	.07	Home Gold	65,700	.18	.19	.16½	.17
1	.02	.01½	Independence	6,000	.02	.01½	.01½	.01½
1	.02½	.01½	Indian Mines	9,500	.01½	.02½	.02	.02½
1	.14	.12½	Inter. Coal	......	.12½	.....	.....	.....
1	*.36	.36	Jack Waite	......	.36	.....	.....	.....
50c	.24	.19	Kootenay Belle	2,800	.21½	.21	.19	.20
25c	.01	.01	Kootenay King	......	.01	.....	.....	.....
25c	.01½	.01	L. & L.	......	.01½	.....	.....	.....
1	.01½	.00½	Lakeview	6,600	.01	.01½	.00½	.01½
10c	.06	.05	Lucky Jim	8,300	.05½	.05½	.05	.05
50c	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
10c	.33	.22	Meridian Min.	48,510	.24½	.25	.23	.23
1	*.10	.07	McGillivray Creek	......	.07½	.....	.....	.....
.	.18½	.11	MacSiccar	17,950	.16½	.18½	.16½	.18
5c	.04	.04	Metaline Metals	......	.04	.....	.....	.....
No	.29	.13	Minto Mines	102,400	.23½	.29	.23	.28
50c	.12	.05½	Mogul	15,750	.12	.10½	.08½	.10½
25c	*.01	.00½	Mohawk	......	.00½	.....	.....	.....
50c	.33½	.20	Morning Star	102,150	.28	.33½	.27½	.32
1	.03	.02	Morton Woolsey	8,000	.02	.02½	.02	.02
1	.13	.05	Native Sons	108,850	.10	.11½	.08½	.11
50c	.05½	.04½	National Silver	29,900	.04½	.05½	.04½	.05½
50c	1.36	1.18	Nicola	55,585	1.32	1.36	1.30	1.35
50c	.15	.11	Noble Five	50,900	.11½	.12½	.11	.11½
50c	*.01	.00½	Oregon Copper	......	.01	.....	.....	.....
1	.38	.12½	Pavilion	8,300	.35	.38	.32	.32
1	12.75	11.00	Pioneer Gold	2,215	11.75	12.50	11.60	12.25
1	*.11	.10	Planet	......	.10	.....	.....	.....
50c	.14	.10	Porter Idaho	10,500	.11½	.11½	.11	.11
No	.02	.01½	Premier Border	20,000	.01½	.01½	.01½	.01½
No	.25½	.16	Princess Royal	1,500	.16	.18	.18	.18
1	.04	.03	Quatsino Copper	5,375	.03	.04	.03	.03
.	.18	.12	Red Hawk	5,000	.16	.13	.12	.13
No	.22½	.10	Reeves McDonald	910	.20	.20	.15	.18
1	.18½	.10	Reliance	46,600	.18	.18½	.17½	.18
1	1.25	.87	Reno Gold	29,195	1.05	1.25	1.04	1.20
1	.15	.09½	Reward Mining	43,300	.13	.15	.12	.14
1	.03	.01½	Rufus Argenta	7,500	.03	.03	.02½	.02½
1	.04½	.03	Ruth Hope	1,200	.03½	.03½	.03	.03
1	.54	.37	Sally Mines	8,950	.37	.48	.38	.47
1	.07½	.05	Silverado	......	.05	.....	.....	.....
25c	.03½	.02½	Silver Crest	27,000	.02½	.02½	.02½	.02½
20c	.07	.04	Silversmith	2,800	.06	.06½	.06½	.06½
50c	.02½	.01½	Snowflake	8,500	.01½	.01½	.01½	.01½
25c	.04	.02	Sonora	500	.02	.04	.04	.04
1	.40	.28	Standard Gold	1,400	.38	.33	.30	.30
10	5.60	4.75	Sunshine	860	4.75	5.10	4.95	5.10
.	.05	.04½	Thurlow	30,500	.....	.05	.04½	.04½
1	.24	.20	Sunloch	40	.24	.20	.20	.20
No	.77	.50	Taylor Bridge	47,850	.68	.77	.60	.77
5	.22	.20	Toric	100	.22	.22	.22	.22
50c	*.03½	.00½	Topley Richfield	......	.00½	.....	.....	.....
50c	.25	.04½	United Empire	14,400	.18	.20	.18	.18
No	2.50	1.40	Vidette Gold	3,150	2.25	2.28	2.20	2.23
No	.24	.14½	Waterloo	8,000	.20	.21	.18	.18
25c	.03½	.02½	Waverly Tangier	131,125	.02½	.02½	.02½	.02½
50c	.45	.41	Wayside	75,050	.42	.46	.41½	.45
20c	.03½	.02½	Wellington	3,500	.02½	.02½	.02½	.02½
No	.39	.30	White Eagle	2,800	.35	.35	.33½	.35
1	.09	.06½	Whitewater	6,000	.07	.07½	.06½	.07

*Quotations for 1933. None recorded in 1934 to date.

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	5.71	Mercury Oils	4c.	.....
Bulolo Gold‡	60c.	.....	Merland Oils‡*	5c.	.....
Coast Brew.	92c.	9.43	Model Oils	3c.	.....
Coniagas‡	12½c.	.....	Noranda‡	$1	.....
Cons. Smelters	1.50	.....	Petrol Oil‡*	1c.	.....
Dome Mines	1.25	.....	Premier	12c.	11.00
Falconbridge*	25c.	.....	Pioneer, B.C.	60c.	5.04
Goldfield Cons‡*	5c.	.....	Royalite*	$1	.....
Hollinger	65c.+20c.	6.20	Siscoe	12+2c.	7.82
Howe Sound	$3	.....	Sterling Pacific Oil‡	2½c.	.....
Int. Coal & Coke‡	2c.	.....	Sunshine Min.	5+7c.	.....
Inter. Nickel, c.	10c.	.....	Sylvanite	10+2½c.	3.86
Lake Shore	$2+$1	6.74	Teck-Hughes	60c.	10.08
McIntyre	1.62½	4.01	Wright-Har.	20c.+10c.	4.19

‡Interim. †Initial. *Paid in 1933.

New Mill Opens On Casey Summit By Early Summer

R. G. Williamson, president and general manager of Casey Summit Gold Mine, announces that a complete 50-ton milling plant has been purchased from the Canadian-Allis-Chalmers Co. Shipment of the entire plant is to be made on Feb. 28 to Hudson, Ont., and will be taken in to the property by the Northern Transportation Co. It is expected to have the mill in operation by early summer.

Through the purchase of a substantial block of Casey Summit Gold Mines stock, Coniagas Mines has associated itself with Maple Leaf Mines in financing Casey Summit Gold Mines, Ltd.

Official announcement of the successful outcome of recent negotiations between the two companies is made jointly by Fraser D. Reid, general manager of Coniagas Mines, Ltd., and Howard L. Walker, president of Maple Leaf Mines, Ltd.

Will Increase Capacity Of Sylvanite's Mill

The mill of Sylvanite Gold Mines will be enlarged so as to bring the rated capacity up to 350 tons per day, and directors have authorized the purchase of machinery and equipment to provide for this expansion. At the present time the mill is handling between 315 and 325 tons per day, and it is believed that with the additional equipment it will be possible to treat up to 400 tons daily. The decision to enlarge the mill rate comes as a result of the large quantity of high grade ore developed in the eastern section of the mine during the past six months.

The company is continuing its underground development campaign, and it is stated that new high grade sections are opening up steadily. Success met with in recent months has enabled the company to add materially to its ore reserves and it is stated that ore is being put in sight well ahead of mill requirements.

Bulolo Gold Profit Was $187,180 in Jan.

Production of gold by Bulolo Gold Dredging Ltd. for the month of January from the No. 1 and 2 dredges amounted to 6,832 fine ounces, recovered from 380,000 cu. yds. Estimated working profit amounted to 5,348 fine ounces, which, based on $35 per ounce, equals $187,180 in Canadian funds. The No. 1 dredge was shut down for 12 days during the month while pontoons were being put on.

The No. 3 dredge recovered 1,621 fine ounces from 251,200 cu. yds. in the Bulowat area. Deep drilling on the original Bulolo area has increased the width of the payable deep gravel to 1,600 feet. The average depth of payable values across this width appears to be about 60 feet and the lower gravel averages about 30 cents per yard with gold at $35 per ounce.

Barry-Hollinger Plans Check-up on Old Levels

In addition to new promising results being obtained at the new lower levels of the mine, Dr. E. H. Greene, president of Barry-Hollinger Mines Ltd., reports that good ore with high assays is being taken from the old levels. A complete check-up of the workings down to the 1,500 ft. level is planned. It is expected that ore will be encountered on the 2,250 ft. level within a few days.

The milling rate is now 100 tons daily. The first brick to be poured since resumption of operations was poured on Feb. 11 but its value has not been divulged. The annual meeting has been called for Feb. 22 in Toronto and certain changes in by-laws will be put before the meeting.

Metal Prices

New York—February 13—
Copper: Electrolytic spot and future, 8c.
Silver: 44¾c.
London—February 13—
(Long Ton)—
Copper: Electrolytic spot, £36 17s 6d; future £36 7s 6d.
Standard spot, £33; future, £33 5s.
Tin: Spot, £226 2s 6d; future, £226.
Lead: Spot, £11 17s 6d; future, £11 15s.
Zinc: Spot, £14 17s 6d; future, £15 2s 6d.
Silver: 19 5/16d. per ounce.
Gold: 136s 11d.
Canada—February 13—
Gold: $34.78.

Central Malartic Synd. Makes Offering $10 Units

Central Malartic Syndicate, owning 400 acres north of Malrobic in the Cadillac-O'Brien district has opened up two veins in the course of surface work. Men on the property at the moment are doing test-pitting and report channel assays at from $2 to $6 in gold valued at $20.66 an ounce, over 5 ft. width.

The syndicate is now making an offering of 500 $10 units.

Seize Oil Company Books, For Misrepresentation

From Our Own Correspondent

REGINA. — Illegal practices and other practices detrimental to retailers in the province are receiving attention of the Saskatchewan Government.

In an effort to stop importation from Alberta and sale from trucks of Alberta gasoline at a cheaper rate than it is retailed in towns adjacent to the western border the Gasoline Taxation Act will be amended so that this gasoline regarded as "bootleg" will practically be eliminated.

Claiming that a company sold a cheaper grade of gasoline from tanks bearing a higher grade mark, and on authority of the attorney-general's department the books of the company involved were seized and the case will come before the city police court. The company manager denies the accusation.

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EASTERN CANADA SAVINGS & LOAN PROFIT IS LOWER

Sets Up Special Reserve Against Mortgages — Dividend Maintained

Eastern Canada Savings & Loan Co., Halifax, N.S., earned $83,918 in 1933 and $109,460 in 1932, after deducting interest payable and management expenses. After further deduction of taxes and depreciation on fixed assets, the company earned 7.38 per cent on paid-up capital of $750,000 in 1933 as compared with 11.04 per cent in 1932. Dividends were continued at the rate of 8 per cent. Reserve fund was reduced to $300,000 from $354,200 and a special reserve of $51,200 for depreciation, real estate and mortgages was set up. Reserve for depreciation on bonds and stocks was increased to $81,500 from $76,221.

Debentures and debenture stock outstanding are down to $2,592,424 from $2,731,904 and deposits are up to $488,710 from $490,756. Liabilities to the public are $3,081,184 as compared with $3,222,661 in 1932. It is stated that $1,320,000 of the company's debentures matured in 1933.

Cash is up to $44,528 from $27,026; call loans are up to $95,000 from $75,000; bonds and stocks at book value remain at $265,369. Mortgages are down to $3,651,066 from $3,903,258 and real estate held is up to $159,878 from $81,863. Repayments on mortgages were not as satisfactory in 1933 as in previous years but 25 per cent of interest arrears in 1932 was collected in 1933.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928	750,000	83,542	8	11.13
1929	750,000	83,814	8	11.17
1930	750,000	86,000	8	11.46
1931	750,000	99,295	8	13.23
1932	750,000	82,841	8	11.04
1933	750,000	55,368	8	7.38

*Less taxes and depreciation on office buildings, etc.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	3,337,265	345,000	2,196,120
1929	3,544,974	375,000	2,410,079
1930	4,135,357	400,000	2,973,295
1931	4,517,887	400,000	3,315,101
1932	4,420,348	354,200	3,222,660
1933	4,271,314	300,000	3,081,133

Trail Smelter Receipts

Following is a statement of ore received at the Trail Smelter, for the period February 1 to 7, 1934, inclusive:

Name of Mine:	Locality:	Tons
Bodie	Torado	36
Goodenough	Ymir	167
Grandora	Penticton	50
Highland Lass	Beaverdell	51
High Line Leasing	Republic	47
I. X. L.	Rossland	15
Knobhill	Republic	50
Kootenay Belle	Salmo	42
Lone Pine Surprise	Republic	44
Old Gold	Republic	56
Mountain Lion Lease	Republic	48
Morning Star	Oliver	65
Overtop	Myncaster	50
Perrier	Nelson	29
Second Relief	Erie	89
Yankee Girl	Ymir	416
	Total	1,285
	Total Company	8,191
	Grand Total	9,446

1832 1934

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TORONTO, CANADA

Lloydminster Gas Is Offering Shares

From Our Own Correspondent

REGINA, SASK.—As a result of the Lloydminster Gas and Oil Co. Ltd., striking natural gas nearly one mile north of the eastern boundary of the town of Lloydminister on Jan. 11, at a depth of 1,380 ft. on a well situated on Sub-division 6, Section 11, Township 50, Range 28, West of the 3rd meridian, Saskatchewan, a company with $35,000 capitalization at $1 a share has been formed.

No details of the size of the flow or the rock pressure have come but it is said that the flow is sufficient to warrant development for the use of the towns in the area adjacent to the well.

Citizens of Lloydminster and districts have formed the company. O. C. Yates is the president. Directors reserve the right to decline any individual subscription in excess of $500.

There is a by-law now before the Lloydminster council for supplying the town with natural gas from this well. It calls for continuance of drilling until a flow of 2,000,000 cubic feet per 24 hours is reached. From 12 months of ratification of the by-law the company must supply two miles of pipe mains through the town for distribution purposes.

Price of Gold

The Standard Value of Gold is $20.67 per ounce.

The Market Value of Gold has risen to over $30.00 per ounce.

Ontario Mines are to-day producing Gold at the rate of $170,000 per day, in Canadian Funds.

The output for 1933 is estimated at 59 Million Dollars in Canadian Funds.

Ontario Department of Mines
HON. CHARLES McCREA,
Minister of Mines,
Toronto, Canada

Nova Scotia Gold

The Government will co-operate with any substantial mining, exploration company, or capitalist, while examining or operating a gold mining property. If possible will supply—

1. Services of Government Engineers.
2. Geological and mining information, maps, plans, etc.
3. Government assaying and ore testing.
4. Protection of operating company's interest while in the Province.
5. Electric or other power.

The gold fields of Nova Scotia as yet undeveloped offer attractive possibilities.

Hon. Michael Dwyer
Minister of Mines,
HALIFAX, N.S.

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Canadian Mining News

Turner Valley Activity Extends Producing Zone In Southern End of Field

Conservation Measure is Dead Issue as Gas Wastage Augmented

MERGERS SOME AID

Absorption Plant Boosts Efficiency of Naphtha Recovery — Nearly Seven Million Barrels to Date

By B. F. TOWNSLEY,
Mining Editor of The Financial Post

CALGARY.—Turner Valley, in the south end of the field, mainly, is experiencing a revival in drilling activity that has already added several important wet gas producers and promises a repetition of the famous section twenty for density of drilling effort.

Five new wells were drilled into the limestone and production. These have served not only to augment the production from the field, but further to delimit the producing area. In March last the Freehold-Marjon No. 1 well was completed and brought in with an initial gas flow of 13,800,000 cu. ft. daily from which a crude naphtha production of 350 barrels daily was taken.

In September Model Oils No. 2 well was completed and produced about 25 barrels daily.

In September the Miracle No. 2 well, some distance north of the southern extremity of the valley, was brought in with an initial gas flow of 8,000,000 cu. ft. daily and 110 barrels of oil.

In December the Sterling Royalties brought in one of the biggest wells ever drilled with an estimated gas flow of 35,000,000 cu. ft. giving 350 barrels of crude naphtha from one separator. The Anaconda No. 2 well was still drilling in the limestone at last report and making about 10,000,000 cu. ft. daily.

Section 28 Leads

Section 28, Range 2, west of the 5th meridian, is experiencing the greatest activity with 13 wells located, drilling or completed out of the permissible 16 producing wells to each section. The completed wells in section 28 are Freehold-Marjon and Anaconda No. 2, the latter completing its well the last week in January, with apparently one of the best flows yet encountered in the area.

Other wells include:—Spooner-Anaconda No. 1, drilling in local subdivision one at about 3,000 ft.; Pascalta No. 1, drilling in L. S. D. 7 below 3,500 ft.; Publix No. 1, shut down with the hole at about 1,100 ft.; Marjon No. 2, drilling in L. S. D. 10 at about 4,800 ft.; and Sunburst No. 1, shut down with the hole at about 1,660 ft. Director Oils (Boller, Sherman & Boller interests) have located a well in L. S. D. 16 and the Bell-Brown interests have announced the location of wells in L. S. D.'s Nos. 12 and 13. One quarter of a mile west of the Pascalta well, the cellar has been dug for the British Dominion well.

Much Drilling Goes On

Other drilling activities in the south end of the field include the Union Drilling Co. well in Section No 21, immediately south of Section No. 28. This well experienced caving difficulties at a depth of 2,750 ft. The Highwood-Sarcee No. 1 well, also in section 21, was last reported at a depth of 3,740 ft. with oil showing at 3,340 ft. The Hoffar-Lundy well in section No. 22 immediately east of section No. 21, suspended drilling at a depth of 4,300 fit. In section No. 27, immediately east of the Publix well in section No. 28, Imperial Oil is drilling on Calgary & Edmonton Corp. ground at a depth of about 3,400 ft. About three quarters of a mile north of this well, in section No. 38, the old Rand well drilled to a depth of some 280 ft., is to have drilling resumed under new direction and a royalty agreement. In section No. 32, about one and one half miles northwest of Anaconda No. 2 well, the Connaught Royalties are arranging to start drilling. The Livingston well in section No. 34, one quarter of a mile north of the Rand well, remains inactive. Plans call for Associated Royalties deepening the old Spray No. 1 well in section 19, one quarter of a mile west of the Hylo well, now producing.

In the central section of Turner Valley, Okalta No. 4 well has been redrilled to a depth of 2,663 ft. and has run casing to a depth of 2,300 ft. Dome No. 2 well is to abandon the limestone horizon to test the upper crude oil producing sands.

Imperial Oil Forging Ahead

It is apparent from the number of mergers effected and mooted that the Imperial Oil interests are gradually but surely gaining further control of the Turner Valley field. Within recent months several companies that have reached the end of their financial tether have been taken over or agreements have been made that give the pioneer naphtha producing company either the production from the limestone horizon—the source of the gas and naphtha—or full lease rights.

These agreements for the most part are accomplished by an exchange of shares in Imperial's chief Turner Valley company—Royalite Oil.

The result of these mergers to date has been to restrict the output to wells having relatively high naphtha content in the wet gas, wells that are in a good physical condition and wells that are not operating as offsets to important producers.

It is expected that as a result of this policy the life of the field will be materially lengthened by the gas flow being kept to a figure approximating the marketable production after it has passed through the absorption and scrubbing plant.

The drilling activity in the south end of the field has already greatly augmented the waste gas problem with further wastage imminent.

Pumping Scrubbed Gas Back

At the present time the Gas Conservation Commission's edict to restrict the gas flow to 40 per cent of the open flow is a dead letter in so far as many operators are concerned and the regulation that the maximum gas production from the field must be held to 240 million cu. ft. daily has no semblance of enforcement.

The Imperial Oil Co., through its subsidiary interests, controls the greatest number of producing wells in the area and is currently receiving about 120,000,000 cu. ft. daily at its absorption and scrubbing plant in the field. Of this production from 30 to 100 million cu. ft. daily, depending on the weather conditions, is being scrubbed and piped to Calgary for distribution and consumption. Another five million cu. ft. daily is scrubbed and pumped back into the Bow Island field—the first source of the gas supply for Calgary on a conservation measure. This policy of storing gas has resulted in the accumulation of one year's supply in this old field to be drawn on if and when needed.

As is well understood, the Turner Valley field is essentially a wet gas and after petroleum is recovered from this wet gas, by putting it through baffle separators, the remaining gas is burned in the field as evidenced by dozens of ever-burning flares, because there is no market for it.

Absorption Plant Recovery

In 1932 the Imperial Oil Co. installed an absorption plant to treat the gas further after it has passed through the conventional baffle separators. In this absorption process a further recovery of naphtha is made, which in some instances is greater than that initially recovered and is correspondingly increasing the production of the primary product, naphtha. After passing through the absorption plant the gas, to the limit of the Calgary market requirements and that repressured back into the Bow Island field, is passed through the scrubbing plant to remove extraneous substances.

The following tabulation gives comparative production of Turner Valley since inception of operations to November 30, 1933:

Turner Valley Production 1922-1933

	Imperial Interests			Other Interests			Total Field
Year	Naphtha	Crude Oil	Total	Naphtha	Crude Oil	Total	Production
1922	9,302	......	9,302	......	......	......	9,302
1923	8,095	......	8,095	......	......	......	8,095
1924	14,931	......	14,931	......	......	......	14,931
1925	177,989	......	177,989	......	2,926	2,926	180,915
1926	207,755	......	207,755	3,253	2,609	5,862	213,617
1927	227,052	12,652	239,704	63,218	26,156	89,374	329,078
1928	318,227	48,806	367,033	92,396	21,928	114,324	481,357
1929	712,275	51,300	763,575	196,466	21,180	217,646	981,221
1930	860,696	33,835	894,531	453,343	16,710	470,053	1,364,584
1931	624,798	16,241	641,039	720,891	10,695	731,586	1,372,625
1932	445,966	11,387	457,353	408,150	10,307	418,457	875,810
1933*	387,062	8,244	395,306	......	......	322,000	717,306
Total	3,994,148	182,465	4,176,613				6,548,841

* 11 Months. The 1933 total figures for both Imperial and other interests are as follows: Naphtha., 952,885 barrels; light crude, 23,822 barrels; or a total of 976,707 barrels. That makes the total to date exceed 6,800,000 barrels.

A survey of the dividends paid by the Turner Valley producers shows that nearly $5,000,000 has been disbursed to shareholders since 1929. Eleven companies have contributed to this total with the Royalite Co., controlled by Imperial Oil, accounting for approximately one-half the total dividends.

The following tabulation is a complete record of dividends paid in the past calendar years.

Company:	Dividends Started	Last Paid	1931 $	1932 $	1933 $	Total $
Home Oil	1929	1930	......	......	......	924,000
Mercury	1932	1932	......	160,658	......	160,658
Merland	1932	1933	......	24,258	48,516	72,774
Model	1931	1931	73,815	......	......	73,815
McLeod	1932	1932	......	13,344	......	13,344
Royalite	1923	1933	250,000	750,000	540,000	2,354,006
Spooner	1931	1933	43,336	......	21,668	65,004
Sterling Pac.	1932	1933	......	23,123	50,870	73,993
United	1929	1930	......	......	......	1,116,500
Wellington	1931	1932	40,600	12,175	......	52,775
Widney	1929	1933	15,100	7,550	15,100	67,950
						4,974,819

Spring Plans Turner Valley Get Impetus

By Staff Editor

CALGARY.—The active development spring programme in Turner Valley received considerable impetus during the past few days with the announcement of drilling plans by three companies. One well was spudded in February 8 and another was scheduled to start drilling two days later.

Operations will be commenced shortly by Turner Valley Royalties Limited on L.S.D. 13, sec. 28, tp. 18, rge. 2, W 5, half a mile west of Anaconda 2.

Richfield Royalties will drill a well on L.S.D. 5, sec. 28, tp. 18, rge. 2, W 5, southwest of a group of big producers. A derrick has been erected on the site and the rig will be moved from Anaconda 2 and installed immediately.

WYLIE-DOMINION MAKES OFFERING 200,000 SHARES

Has Done Surface Work Cost $25,000—Variable Recoveries

Wylie-Dominion Gold Mines Ltd. is offering 200,000 treasury shares at 50 cents each to raise funds for development of its property in the Cranberry Lake area of Northern Manitoba. The company owns a group of seven claims three miles from the Flin Flon and Sherritt-Gordon branch of the Hudson Bay Railway.

Some $25,000 has been spent on developing the Wylie-Dominion property. Development has consisted of trenching and test-pitting. Channel samples indicate an average gold value, at $20 an ounce, of $14 a ton and 3.56 ounces of silver. The main vein is said to have been traced for some 10,500 ft. on the surface.

Plans call for sinking of a shaft 275 ft. on the main vein, establishing stations at the 125 and 250 ft. levels and lateral diamond drilling. It is estimated that the cost of this work will be less than $35,000. If any substantial volume of ore is proved, it is planned to erect a 200-ton mill this year, it is said.

Erratic Recoveries

A report on the property has been made by George Bottoms of the London Institute of Mining and Metallurgy. Mr. Bottoms has been only three years in Canada but has had some 30 years experience in mining in West and East Africa and West Australia. Samples from Wylie-Dominion show no free gold, Mr. Bottoms says, the occurrence being in pyrites and galena with some tellurides. The company has shipped several carloads of ore to the smelter of Hudson Bay Mining & Smelting Co., and recoveries are understood to have shown variable results.

Wylie-Dominion has a capital of $3,000,000 in $1 shares, of which approximately 1,200,000 shares were issued to vendors for claims. These shares are to be pooled or escrowed. The company has not issued a financial statement but is said to be assured of finances to carry out its development programme.

Wylie President

The president of the company is Newton Wylie, Toronto, who has promoted various ventures including English Inns, Ltd., which went into bankruptcy in the fall of 1929. Other directors are Major T. Cuthbert Anderson, Winnipeg; E. Gus Porter, K.C., Portage La Prairie; Ralph Maybank, Winnipeg; Col. W. L. West, managing director, The Pas; Robert Hassett, Cranberry Portage; A. L. Stewart, Flin Flon; W. J. Goodwin, Vancouver; A. E. Dawson, S. H. Moore, A. L. Ambrose, Hamilton; Gordon Reid, Dundas; and J. P. McNair, Toronto.

Roan Antelope Profit £96,780 in Last Quarter

Gross revenue of Roan Antelope Copper Mines Limited is reported at £474,910 for the quarter ended December 31, 1933. Operating expenditure including London and mine administration charges amounted to £318,130 leaving an estimated surplus over working expenditure of £156,780. Debenture interest amounts to £22,500 and reserves for depreciation to £37,500, leaving a profit for the quarter of £96,780 subject to taxation.

Average price of standard copper for cash in the fourth quarter of 1933 is stated to have been £31 18s. 4d. per long ton.

MALARTIC REPORT SHOWS PROGRESS

Orebodies Are Believed to Extend to Depth; Shares Under Option

The first annual report of Canadian Malartic Gold Mines Ltd. shows the company with current assets of $1,701, cash in bank and capital stock subscriptions unpaid of $45,000. Accounts payable total $9,199. As at December 31, 1933, there were outstanding, or allotted, 2,291,855 shares while an additional 425,000 shares are under option at 30 cents per share, 425,000 shares at 50 cents per share and 400,000 shares at $1 per share. Mining properties, buildings and machinery are carried at $360,684 and development and sundry expenditures including supplies on hand are carried as a deferred asset of $55,561.

The report indicates that the 125-ft. level is about one-third developed, the 250-ft. level about 70 per cent developed, and the 375-ft. level has just been reached. These results are in the foot-wall section. In the hanging-wall section, the 375-ft. level is fully developed while the 250-ft. level is exposed in places and the 125-ft. level is only indicated by drill holes. It is difficult to estimate ore tonnage in the irregular replacement type of ore body under development but it is estimated that 150,000 tons of ore averaging $6.50 per ton exist in the foot-wall section of the No. 1 ore body giving a reasonable allowance for extensions horizontally and vertically where this is evident. In the hanging-wall section, it is estimated that there are 75,000 tons averaging $7.40 per ton with a reasonable allowance for extensions vertically above and below the 375-ft. level. In addition, Andrew Walz, manager of the company, estimates that 350,000 tons of ore, averaging $3.75 per ton exist in the margins of the ore bodies and elsewhere which have not been considered in the higher grade estimate. Estimates are calculated on a value for gold of $20.67 per ounce.

Mr. Walz states that "it is evident as a result of the work done during the year that the Malartic ore bodies can be counted on to extend to depth and continue downward with the structure and geology."

Greene-Stabell Signs Contract For Power

Being Financed, Company Applies For Listing—Has $1,500,000 in Ore Above 625-foot Level—Pushing Crosscut to Important Objective

Greene-Stabell Gold Mines, which is now treating 60 tons of ore daily in the mill started at the end of November last, will soon be operating at its full capacity of 100 tons a day. Officers of the company believe on the basis of three surveys made of the property that the mine has from $1,000,000 to $1,500,000 of ore developed above the 625-foot level, and the crosscut from the bottom level has now advanced 600 feet toward the granodiorite, its most important objective, as this is the rock on which Siscoe and Sullivan on the west and Lamaque on the east are working.

The company will have ample power as Greene-Stabell Gold Mines has just signed a contract with the Northern Quebec Power Co., a subsidiary of Canada Northern Power Corp., for hydro-electric power. The power company is now rushing construction of its power transmission lines from the Noranda substation through Cadillac and Siscoe districts. Power can soon be obtained at little capital expense to the company beyond the limited number of poles needed.

The company is well financed, the entire issue of treasury shares having been disposed of more than three months ago. Shares sold at present represent trading and, distribution having been obtained, application is being made to the Toronto Stock Exchange for listing of shares.

A fortnight ago Ben Budgeon, mine manager, stated that the mine had developed above the 625-foot level 75,000 tons of ore averaging $12 to $14 a ton. At present prices of gold this would show more than $1,500,000. Another mining engineer in January, 1934, after a three-day survey made an estimate of 50,000 tons worth $12, or more than $1,000,000 at the present price of gold, which is regarded by officials as a minimum. Harry Kee's sampling down to the 450-foot level some time ago showed the ore averaging $16 a ton at the old price, and officers therefore are inclined to believe Mr. Budgeon's report is conservative.

Mr. Budgeon stated that ore conditions on the 625-foot level are similar to the upper levels. The values are leaner and little development work has been done there, the chief interest being in the crosscut to the granodiorite which may be entered sooner than expected, judging by current ore indications.

NEW ABSORPTION PLANT LAUNCHED AMID MISGIVINGS

U. S. Promoter Offers Plans for Another Turner Valley Project

By Staff Editor

CALGARY.—Believing that he can duplicate the success of the present Imperial Oil absorption plant treating Turner Valley gas, Minor Merriman, of California is promoting a new company to be known as the Independent Gas Producers Ltd. for the avowed purpose of treating the gas from the wells of the independent Turner Valley producers that do not market their production to Imperial Oil.

The financing of the plant is not to be done by Mr. Merriman but by the interested independent producers and their friends. The chief difference between the proposed operations of the new company and Imperial Oil is that the latter holds an exclusive contract with Calgary Gas Distributing Company for the marketing of the gas after it passes through the absorption plant, which recovers a substantial production after the conventional separators have taken their toll. Another important difference is that Imperial owns a large oil refinery in Calgary and is able to blend the naphtha produced with crude oil of lower gravity and thus find a market for this naphtha production.

The sponsors of the new absorption plant answer questions as to the limited market for naphtha by stating they propose to ship quantities to United States markets as far east as North Dakota. What has restricted Imperial's market for naphtha and prevented its shipping to far distant points has been the heavy losses in transit due to the extreme volatile nature of the product.

Some local refinery authorities see in the new project a real aid in obtaining a higher extraction of naphtha than is presently possible with the existing baffle separators in use by the independent operators but they also regard the declining pressure of the field as foreboding a definite life too limited for amortizing the capital expenditure.

Canada's 1933 Mineral Output

CANADA'S 1933 MINING OUTPUT

		Eleven Months Ending November 1932	1933
Asbestos	ton	108,388	138,106
Cement	bbls.	4,415,560	2,908,162
Clay prod.	$	3,527,797	2,057,659
Coal	ton	10,535,673	10,575,031
Copper	lb.	225,411,777	272,075,632
Feldspar	ton	6,507	7,834
Gold	fine oz.	2,782,209	2,689,969
Gypsum	ton	418,978	363,374
Lead	lb.	235,383,964	244,019,551
Lime	ton	302,670	278,159
Nat. gas	M cu. ft.	20,807,410	20,212,023
Nickel	lb.	28,962,031	74,319,198
Petroleum	bbls.	973,532	1,044,061
Salt (comm.)	ton	157,518	165,087
Silver	fine oz.	17,019,194	13,104,770
Zinc	lb.	158,314,825	173,949,523

INTERNATIONAL NICKEL
Analysis on request
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Members Toronto Stock Exchange
302 Bay St. Wa. 1633 Toronto
Branch Office
Keele & Dundas Sts.
Junction 1167

ASKALTA OIL CO. BUYS 17 CLAIMS GREENWOOD, B.C.

On Favorable Reports Making Test Shipment—Red Coulee Output Up

Askalta Oil Company, Calgary, has purchased 17 claims in the Greenwood district, of which it has title to 11 claims, the balance being acquired under agreement for sale.

Shortly after the deal was completed, The Financial Post is informed by the company, word was received that a large body of exposed ore had been located on the southeast corner of the Greenwood property by C. C. Walker, the company's representative. The ore is visible on the surface for a distance of more than 600 feet and over ten feet wide and Mr. Walker reports that the quartz appears to be oxidized and well mineralized.

The claims adjoin the Dentonia mine where a 100-ton mill is being installed and is scheduled for operation by the middle of March. Askalta will make a trial shipment of 18 tons of ore on hand. Several carloads were sent to the Trail smelter by the previous owners who reported averages of $30 a ton, which would be equivalent to $50 a ton at present valuation. On the property a vein had been stripped for 3,000 feet showing commercial ore ranging in width from three to four feet throughout.

The company reports good progress with its No. 9 well in the Montana section of the Red Coulee field, the latest reported depth being over 2,000 feet. It expects production at 2,500 feet. From its six wells on a 196-acre lease, which was taken over from the Mid-Continent Oil Corporation, Ltd., production is running between 3,000 and 4,000 barrels a month of high grade crude which is piped through the company's own pipe line to the Stellarene refinery at Coutts, Alberta.

TO THE PUBLIC AND THE SHAREHOLDERS OF

WAINWRIGHT WEST OILS LIMITED

The Directors of Wainwright West Oils Limited desire to make public announcement of the fact that the dividend of two cents each share, declared on the 18th day of January, 1934, and payable on the 20th day of February, 1934, to Shareholders of record as of the 10th day of February, 1934, is not being paid from funds derived from ordinary operations of the Company.

The President, P. D. Bowlen, while realizing that the earnings of the Company would not be sufficient to make dividend payments at this time, having regard to the active development and oil production program now being carried on by the Company on its properties in East Texas, has been anxious to make some disbursement to the Shareholders who have so loyally and patiently given him support. Sharing with the other members of the Board, implicit faith in the future earning power of the Company, in which he is the largest individual Shareholder, the President has donated to the Company funds sufficient to pay the dividend mentioned, and it is from these funds that such dividend will be paid.

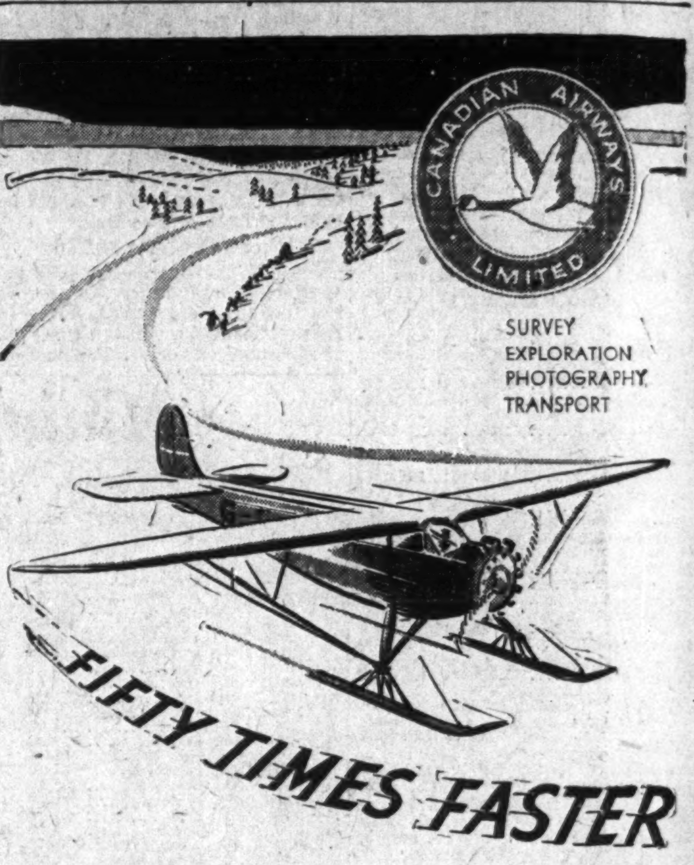
Toronto, February 9th, 1934.
By order of the Board.

WAINWRIGHT WEST OILS LIMITED
Metropolitan Building, Toronto
Overton, Texas

N. C. URQUHART & CO.
STOCK BROKERS
Members Standard Stock and Mining Exchange
15 King Street West Toronto, Ont.
Adel. 6028

We are preparing a descriptive circular on B.C. Nickel Mines Limited, copies of which we will be pleased to forward upon request.

Vancouver Stock and Bond
Company Limited
416 Hall Building, Vancouver, B.C.



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